



# Intercollegiate Athletics at Rice University



BOARD OF TRUSTEES ATHLETICS  
SUBCOMMITTEE

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# 1 Introduction

## **EXECUTIVE SUMMARY**

This report is the culmination of a detailed review of intercollegiate athletics programs at Rice University as commissioned by the Rice Board of Trustees in June 2003. It serves as a tool to inform future Board discussions regarding the nature and scope of athletics at Rice University.

The analyses contained within highlight nearly every aspect of Rice athletics and lead to four viable, forward-looking options that Rice could pursue. For each of the options, the implications for key stakeholders are outlined, as are academic, competitive, economic, and social issues that would likely result from potential changes to the athletics programs. Each of the viable options has its advantages and disadvantages, but each also offers some opportunity to address underlying, recurring issues.

In characterizing these options, each is treated as a final state. While it is theoretically possible for one or more to be used as transition states to “test the water” or spread change over time, many of these transitions will be met with significant debate and controversy. Given that, it seems that every effort should be made to make a single commitment towards the best answer for the future of Rice athletics. Equally important is the concept that this should be a decisive change, in the spirit of limiting the ongoing uncertainty around the viability and direction of Rice’s programs.

Ultimately, the direction of Rice’s athletics programs may be assessed through four fundamental questions:

1. What kind of intercollegiate athletics program does Rice want to have, given the balance of educational, research, and competitive goals of the University?
2. How possible is it to achieve a quality program with those characteristics, in the context of Rice’s traditions, constituents, and size?
3. How will success be defined for the athletics program going forward?

4. How willing is Rice to invest the time and money and to make the admissions trade-offs required for the program to be an overwhelming success and source of pride?

The single most important part of any decision making process will be answering these fundamental questions honestly to define the long-term basis of an athletics program that matches Rice University's goals and aspirations. This basis can be refined and adjusted as necessary to match shorter-term concerns or to optimize economics, but only through explicit, committed answers to the fundamental questions can Rice hope to avoid revisiting these issues in the coming years.

### **THE INTENT OF THIS DOCUMENT**

The broader objectives of the report, as described by the Rice Board of Trustees and the athletics subcommittee of the Board, are to:

1. Provide an unbiased fact base that represents the current state of Rice intercollegiate athletics in the context of the University's stakeholders, where stakeholders are defined as:
  - a. Students, including athletes
  - b. Faculty
  - c. Alumni
  - d. Administrators
  - e. Other friends and supporters of Rice
2. Assess the benefits and costs, whether direct or indirect, of each component of Rice's intercollegiate athletics programs, targeting interrelations among the various academic, economic, and social aspects of the programs.
3. Lay out viable options for the future direction of the athletics program using case studies and/or similar reviews undertaken at peer institutions.
4. Lay out a process the Rice Board of Trustees can use to facilitate its decision-making on this topic.

### **PROCESS USED TO COMPLETE THE ASSESSMENT**

This effort involved several steps, including:

1. Collaborating with university administrators and faculty to access available institutional data.
2. Developing an analytical foundation, based on internal Rice and available public data, to assess aspects of athletics at Rice.
3. Assessing peer institution athletics programs through interviews and available public data to understand alternative models for intercollegiate athletics and to build a foundation of lessons learned.
4. Developing a perspective, through published reports, existing research, and interviews with experts in the field, on the likely future of intercollegiate athletics.
5. Interviewing a subset of Rice constituents, selected with input from the Athletics Subcommittee of the Board of Trustees and the President of the University, to assess the state of current programs and the likely implications of any considered changes to those programs.
6. Conducting nine focus groups with various Rice constituents to elicit reactions to the foundation of analysis.

## **THE TRADITION OF INTERCOLLEGIATE ATHLETICS AT RICE**

Rice intercollegiate athletics have enjoyed both recent success and a long, storied tradition. Rice also serves as a model nationally of how intercollegiate athletics should be “done right” with zero major National Collegiate Athletic Association (NCAA) violations, some of the highest athlete graduation rates in Division I, and a talented staff that is built around the broad success of athletes, both on the playing field and after graduation.

The history of Rice athletics is one of extraordinary success. Among the smallest of national universities at 2,787 undergraduates and the second smallest school<sup>1</sup> in Division I-A,<sup>2</sup> Rice, in the past 5 years alone, amassed 16 Western Athletic Conference championships in six sports, and won the Division I baseball national championship. Rice athletes have been equally competitive as individuals, producing top-ranked tennis players, strong contributions to professional teams after graduation, and an annual complement of academic and athletic All-Americans.

<sup>1</sup> Tulsa has the smallest undergraduate enrollment in NCAA Division I-A at 2,691.

<sup>2</sup> Rice competes in Division I-A, the most competitive Division in the NCAA. Division II and Division III (less competitive Divisions) typically have smaller schools with undergraduate enrollments similar to Rice’s enrollment.

## RICE OWLS ATHLETIC SUCCESS FOR MEN'S SPORTS

Sport	Average winning percentage for past five years	Accomplishments in past five years
Football	43.9	<ul style="list-style-type: none"> <li>• 2 All-Americans CoSIDA</li> <li>• 1 Fulbright scholar</li> <li>• 6 players went professional</li> </ul>
Baseball	71.6	<ul style="list-style-type: none"> <li>• 1st in College World Series (2003)</li> <li>• 5th in College World Series (2002, 1999)</li> <li>• 12th in NCAA Super Regional (2001)</li> <li>• 26th in NCAA Super Regional (2000)</li> <li>• 15 All-Americans CoSIDA</li> <li>• 35 players went professional</li> </ul>
Basketball	46.5	<ul style="list-style-type: none"> <li>• 3 players went professional</li> <li>• 14 players went professional since 1992</li> </ul>
Tennis	58.0	<ul style="list-style-type: none"> <li>• 29th National Ranking (2003)</li> <li>• 51st National Ranking (2002)</li> <li>• 37th National Ranking (2001)</li> <li>• 54th National Ranking (1999)</li> <li>• No. 1 nationally ranked doubles players (2002)</li> <li>• Won National Indoor Doubles Championship (2002)</li> </ul>
Golf	n/a	<ul style="list-style-type: none"> <li>• 2 All-Americans GCAA</li> </ul>
Track and cross country	n/a	<ul style="list-style-type: none"> <li>• Indoor track was ranked 2nd in the WAC for 3 years (2003, 2002, 2000)</li> <li>• Cross country was ranked 1st in the WAC for 2 years (2001, 1999)</li> <li>• 10 All-Americans CoSIDA</li> </ul>

Source: Rice University Athletics Department

## RICE OWLS ATHLETIC SUCCESS FOR WOMEN'S SPORTS

Sport	Average winning percentage for past five years	Accomplishments in past five years
Basketball	59.2	<ul style="list-style-type: none"> <li>• Ranked 2nd in WAC (2003, 2002)</li> <li>• Ranked 4th in WAC (2001)</li> <li>• Ranked 3rd in WAC (2000, 1999)</li> <li>• 1 All-American WBCA</li> <li>• 2 players went professional</li> </ul>
Volleyball	52.1	<ul style="list-style-type: none"> <li>• Ranked 1st in WAC East (2003, 2002)</li> <li>• Ranked 3rd in WAC Mountain (1999)</li> <li>• 1 All-American CoSIDA</li> </ul>
Swimming	n/a	<ul style="list-style-type: none"> <li>• Ranked 3rd in WAC for past five years</li> </ul>
Soccer	40.8*	<ul style="list-style-type: none"> <li>• Ranked 3rd in WAC (2003)</li> <li>• Ranked 2nd in WAC (2001)</li> </ul>
Tennis	51.8	<ul style="list-style-type: none"> <li>• Ranked 61st nationally according to NCAA (2000)</li> <li>• Ranked 44th nationally according to NCAA (1999)</li> <li>• 1 All-American CoSIDA</li> <li>• 1 Marshall Scholar</li> </ul>
Track and cross country	n/a	<ul style="list-style-type: none"> <li>• Indoor track ranked 2nd in WAC (2003)</li> <li>• Indoor track ranked 1st in WAC (2002, 2001, 2000)</li> <li>• Outdoor track ranked 1st in WAC (2003, 2001, 2000)</li> <li>• Outdoor track ranked 2nd in WAC (2002)</li> <li>• Cross country ranked top 3 in WAC for past 5 years</li> <li>• Indoor track ranked 18th, 15th, and 22nd nationally in 2001, 2002, and 2003 respectively</li> <li>• Outdoor track ranked 14th, 18th, and 20th nationally in 2001, 2002, and 2003 respectively</li> <li>• 15 All-Americans CoSIDA</li> </ul>

\* Soccer was not sponsored until 2000  
Source: Rice University Athletics Department

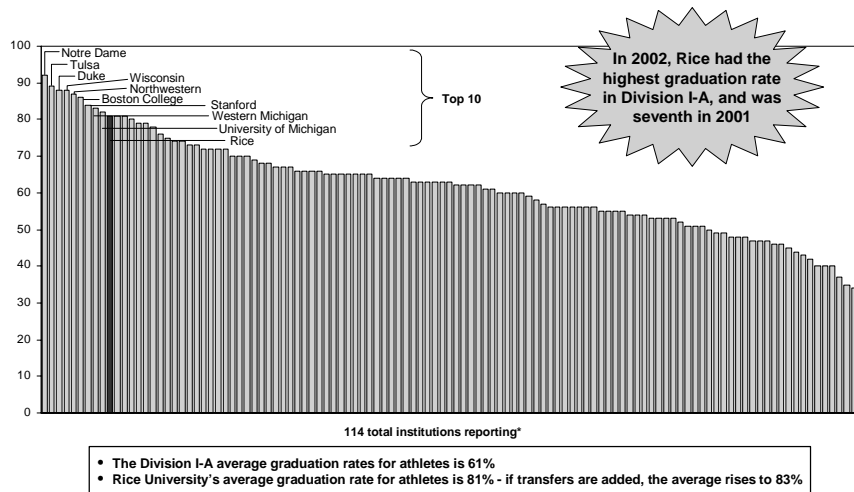
Remarkably, Rice's athletic success has come with many fewer compromises than is common at other schools. Rice perennially succeeds in graduating athletes, avoiding NCAA rules infractions, and maintaining exemplary standards for participants. In a college sports climate of recent scandals, which include athletes

admitted without meeting minimum NCAA requirements<sup>3</sup> and jailed players implicating their former *alma mater* for rules violations,<sup>4</sup> Rice is one of only 20 schools (out of 117) currently in Division I-A that has never been sanctioned for a major NCAA violation.<sup>5</sup> The University consistently ranks in the top 10 among schools in Division I-A for athlete graduation rates, including a top ranking in 2002, a year in which it was also awarded the *USA Today*/NCAA Academic Achievement Award.

### RICE ATHLETE GRADUATION RATES ARE AMONG THE BEST IN DIVISION I-A

#### 2003 Athlete Graduation Rates

Percent of athletes graduated using a 6-year rate



\* Not all Division I-A institutions reported graduation rates; in particular, the U.S. Naval, Air Force, and Military academies did not report total number of athletes graduated since the NCAA defined athletes as students given athletic scholarships; the Academies do not give athletic grants-in-aid  
Source: 2003 NCAA Graduation Rate data; *Chronicle of Higher Education* 2003 Graduation Rate data

## A SHORT HISTORY OF INTERCOLLEGIATE COMPETITION AT RICE

Athletics at Rice is not a recent phenomenon. Rice intercollegiate sports are part of a tradition that goes back nearly a century and includes some of the most

- 3 St. Bonaventure University's president, Robert Wickenheiser, was recently forced to resign after admitting a junior college transfer who met neither the school's nor the NCAA's minimum eligibility requirements. Jill Lieber, "Ex-President Admits Fault in Scandal, Mourns Swan," *USA Today*, 17 November 2003.
- 4 University of Missouri President Elson S. Floyd was recently implicated in rules violations based on confessions from a former player jailed on other charges. Scott Charlon, "Missouri President Meets with NCAA about Academic Violations," *USA Today*, 14 December 2003.
- 5 Major violations are recorded over the period January 1, 1953 through December 15, 2003. All violations other than secondary violations are major violations. A secondary violation is one that is isolated or inadvertent in nature, provides or is intended to provide only a minimal recruiting, competitive or other advantage, and does not include any significant recruiting inducement or extra benefit.

famous names in sports. The passion that exists today for Rice intercollegiate competition was, in some way, built by the longstanding and often surprising competitive history of this small school in southeast Texas.

Rice began playing organized football against outside opponents in 1912 under the direction of Philip H. Arbuckle, who taught English and History.<sup>6</sup> In 1914, Rice participated in forming the Southwest Conference (SWC) and played its first full schedule against collegiate competition. The school's early teams, coached by various faculty members, comprised regularly enrolled students and were consistently mediocre on the playing field. In 1924, however, the Committee on Outdoor Sports, chaired by William Ward Watkin, hired John W. Heisman to coach Rice football and serve as Athletic Director. Heisman's hiring provoked immediate controversy among the faculty; although he would be in residence only for the football season and spring training, Heisman's salary far exceeded that of full-time faculty members, some of whom were among the most distinguished scholars in the world. Heisman also began attracting students from the northeast, specifically to play football, at a time when the notion of "recruiting" was still controversial, and even scouting other teams was regarded as dishonorable.

Faculty unease, as it would turn out, was as justified by the number of recruited athletes who failed classes as it was by the Heisman-led teams' poor records on the gridiron.<sup>7</sup> Strict regimentation of the athletes' daily lives helped academic performance somewhat, but the teams continued to falter on the field, and Heisman resigned after the 1927 season.<sup>8</sup>

Wrestling with issues of academic standards, losing records, and an increasingly onerous financial situation, the Rice Board, faculty, and administrators chose—far from unanimously—a new tack in 1928. The faculty approved the creation of a department of Physical Education. This department offered a program leading to a Bachelor of Science in Physical Education (P.E.), consisting largely (but not entirely) of courses in P.E., coaching, and business. Supporters of the program argued that, although the requirements for a degree in P.E. were obviously different from those in other academic areas, the standards could be just as high. This argument carried the day with the majority of Rice professors. For its part, the administration was satisfied by the trustees' agreement that the costs of this program would be covered solely by contributions from the Houston business

6 It was fairly common until after World War II for faculty to coach athletics teams. For example, Knute Rockne, coach at the University of Notre Dame from 1918 to 1930 and perhaps the most legendary figure in college football history, was a chemistry professor.

7 Heisman teams, 1924 to 1927, were 14-18-3.

8 The Heisman trophy is named for this legendary coach and football innovator. His coaching career, spanning the years 1892 through 1927, included stops at Auburn University, Oberlin College, Clemson University, Georgia Institute of Technology, the University of Akron, the University of Pennsylvania, and Washington and Jefferson College. Heisman was responsible for inventing commonplace components of the current game, such as the forward pass, and his most notable teams were at Georgia Tech, where he won the 1917 national championship.



community and the guarantee that the 40 students enrolled each year would be in addition to the regular class of 400. No money would be taken from the academic needs of the school; no 'regular' students would be denied admission.

Rice saw more athletic success in the wake of this change. Apart from one truly disastrous season in 1933 when eight varsity players were suspended for Honor Code violations,<sup>9</sup> the football team did well, winning the SWC Championship in 1934, again in 1937, and playing in their first Cotton Bowl in 1938. The basketball, track, golf, and tennis teams were also frequent winners during this period. As might be expected, the increased success led to increased visibility in the Houston community. As the teams attracted many more spectators, it became clear that Rice needed a new football stadium to replace its undersized facility. Rice had been financially constrained since the mid-1920s, though, and this condition worsened in the 1930s. Struggling to improve its academic position, Rice could not afford to divert funds to such a project. Again, the trustees turned to the Houston community, which provided money to renovate and expand the stadium.

As the United States moved closer to war in 1939, and after a 1-9 season, the Committee on Outdoor Sports fired Coach Jimmy Kitts and hired in his place Jess Neely from Clemson University. Eventual entry into World War II in 1941 did not halt SWC play, but the loss of students to the armed forces created "patch-together" football teams and predictably erratic results. In other sports, though, Rice fared better. In track and field, Fred Wolcott, Bill Cummins, and Bill Christopher amassed eight individual event NCAA titles between 1938 and 1946.<sup>10</sup> Rice basketball also saw NCAA tournament appearances in 1940 and 1942 and a National Invitation Tournament (NIT) tournament appearance in 1943.

After the war, Rice experienced renewed football success, adding another SWC title in 1946. Basketball and tennis also performed reasonably well, with regularly competitive teams in the conference. Neely's football team contended almost every year, rising to fifth in the national rankings in 1949 after a Cotton Bowl victory over North Carolina. This success continued into the 1950s, with additional SWC championships and Cotton Bowl appearances after the 1953 and 1957 seasons. With Rice adding a SWC men's basketball championship and NCAA basketball bid in 1954 under Coach Don Suman, other Rice sports also began to receive national attention. Interestingly, baseball was not one of the success stories in the 1950s, with Rice teams struggling to stay above .500 throughout the period. In a city with no professional sports franchises, Rice games drew large crowds, and ticket scalping even became common. To meet the increased demand, Rice considered another renovation of its facilities. Instead, the

<sup>9</sup> Rice went 3-8 in 1933, sandwiched between a 7-3 1932 season and a 9-1-1 1934 season.

<sup>10</sup> Wolcott and Cummins in hurdle events, Christopher in long jump.

trustees chose to build two completely new venues: the present Rice Stadium and Autry Court (a new multi-purpose indoor facility), both completed in 1950. With two new world-class facilities and successful seasons in many sports, Rice athletics looked well positioned to build on its success as it entered the 1960s. However, two changes in the environment, both with negative implications for Rice, would make that increasingly difficult.

First, Rice began to lose its ability to keep up with rivals such as the University of Texas and Texas A&M University. Huge enrollment increases at those schools created a giant advantage in recruiting. The 1965 re-adoption of the “two-platoon”<sup>11</sup> system in football—the practice of having separate offensive and defensive players—and the growing importance of expensive training facilities exacerbated this scale difference leaving Rice at a considerable disadvantage. Second, the Houston Oilers began to play professional football in 1960. Fans began to trickle away, and then left in droves as the popularity of the fledgling American Football League grew. Jess Neely also retired in 1966 after coaching the Owls for 27 seasons. Over the next 18 years, Rice had nine football coaches, and by the late 1970s, Rice teams regularly struggled just to compete. The 1977 season was an example of how difficult it had become to build consistent teams: the football team, quarterbacked by All-American Tommy Kramer went 3-8, and the basketball team went 4-22. In effect, these changes were the beginning of what has become a fundamental structural change in the competitive context for Rice. Competition for an audience, Rice’s size, and its ongoing efforts to build a national academic reputation, contributed to Rice’s transformation from successful contender, to occasional competitor, to “cellar dweller” in many sports.

The 1960s and 70s also saw changes in the way athletics were viewed on campus. The program in Physical Education was re-evaluated in 1960 by a faculty committee. This review led to the adoption—again amidst substantial controversy—of a new program that (many inferred) was just for athletes. The Commerce Department offered a program focused on practical business courses, including finance, marketing, and management. From the beginning, its presence at a school that was beginning to make real strides in academics and research was perceived as an anomaly. Consistent lack of success on the playing field made some Rice constituents question the overall value of the athletics program as well. Self-studies in 1964 and 1974 and the appointment of an Athletics Review Committee in 1971 brought renewed controversy over athletic admissions, and in 1975, Rice’s faculty voted to eliminate the Commerce Department, ending what was regarded by some as a formal sheltered course of study for athletes.

11 The two-platoon system (free substitution) was originally instituted in 1941, outlawed in 1952, and re-instituted in 1965.

In the 1980s, six of nine SWC schools were placed on NCAA probation for various violations in their football programs. Although Rice's reputation remained spotless, these violations tarred the reputation of the conference as a whole, led to more difficulties in recruiting, and caused a loss of national television coverage. Intermittent turmoil on campus over the academic performance of athletes also continued. Rice's 1984 Self-Study and a 1992 Athletics Review Committee report again worried over the differential admissions criteria for athletes and non-athletes, leading to the adoption of some reforms in the way recruited athletes were admitted.

In 1992, the University of Arkansas defected to the Southeastern Conference in search of better television revenues. The remaining SWC members, facing continued participation in a highly regional conference with little national appeal, disbanded in 1994 with national powerhouses like the University of Texas and Texas A&M University joining strong conferences such as the Big 8 (now the Big 12), and the competitively weaker schools such as Rice and Texas Christian University casting about for good options.

With few reasonable alternatives, Rice ultimately entered the Western Athletic Conference (WAC) in 1996 and was immediately confronted with a new set of problems. The lack of traditional rivalries brought an even greater loss of fan interest, and far-flung competitors led to increased travel expenses. Subsequently, the WAC also suffered its own problems, splitting into the current WAC and the 8 team Mountain West (Utah, Air Force, Brigham Young, Colorado State, New Mexico, San Diego State, UNLV, and Wyoming). This left a far weaker conference with amplified geographic problems that forced Rice to the west coast and Hawaii more frequently and removed from the conference any schools that resembled Rice academically.

Rice's imminent move to Conference-USA (C-USA) in 2005 is, in part, an attempt to re-engage with traditional rivals like Southern Methodist University, Texas Christian University, and the University of Houston, while addressing the current budget impact of traveling to such WAC schools as the University of Hawaii and California State University at Fresno. However, at least one of these planned rivalries will not occur as TCU announced on January 30, 2004 that it would move from C-USA to the Mountain West conference. Regardless of how these new conference affiliations play out, one thing is certain: the future of Rice sports will be built internally on the same rich character and competition that has been the hallmark of its history. External factors, particularly the changing nature of intercollegiate competition, may prove far more challenging as Rice seeks to maintain its place in top tier sports.

## THE RISE OF THE NCAA

While the NCAA was founded to create safer, fairer competition, it has grown into a nearly half-billion dollar business that is involved in many aspects of intercollegiate competition. At its core, however, it is simply an association of colleges and universities. The pressure of commercialism has exposed the limits of NCAA power and demonstrated the inadequacy of an organization that operates only through the sanctions of its membership. While there is a belief that reform of some kind is inevitable, the recent conference realignment (mostly driven by access to football revenue, which many commentators view as a “money grab”), the ongoing disparity in academic standards among member schools, and a recent outbreak of eligibility scandals indicate that the problems facing the NCAA are deeply rooted. History suggests that any attempt to mediate commercialism is likely to drive deeper fractures into the current division structure consistent with differences in economics and philosophy, and unlikely to create sweeping change across intercollegiate sports.

The Intercollegiate Athletic Association of the United States (IAAUS), renamed the National Collegiate Athletic Association (NCAA) in 1910, formed when a group of college presidents from Harvard, Yale, Princeton, and other universities joined together after the 1905 football season. This initial assembly met in reaction to increasing violence, including 10 deaths and 159 serious injuries, in football that year. The violence and resulting negative publicity threatened not only football’s economics, but also its existence: a number of universities including Northwestern, Columbia, and NYU actually ceased playing football altogether. Throughout the pre-World War era and into the 1920s, the IAAUS/NCAA functioned to “self-police” football and gradually expanded in scope to include monitoring amateurism criteria, setting rules of conduct, and arranging scheduled competitions.

Beginning with track and field in 1921, the NCAA gradually expanded into other sports, and the fledgling association continued to add competitions and tournaments through the 1920s. As the popularity of sports (mostly centered on football) grew, so did pressures to “cash in.” By 1929, two of the greatest challenges facing the NCAA were growing commercial pressures and academic integrity. In fact, the issues academic institutions faced in the 1920s and 30s are essentially similar to those faced today. In 1939, the combination of commercialism and poor athletic performance led Robert Maynard Hutchins, then President of the University of Chicago, to stun the country by dropping Chicago’s football program. At the time, Chicago was seen as one of the cornerstones of the

sport; the home of Amos Alonzo Stagg, seven Big Ten championships, a national title, and the first Heisman Trophy.<sup>12</sup>

**Several universities have dropped football; but the reason they have stated shows how little they trust the public to understand a good reason for doing so. Almost all the universities that have given up the game have said that football lost money. As the public is willing to believe that a university may do anything for money, so it is prepared to agree that it may stop doing it if the money is not forthcoming. If the curriculum were rational and intelligible, the students might not run from it in such large numbers to devote themselves to extracurricular activities.**

– Robert Maynard Hutchins, 1939<sup>13</sup>

After World War II, the 220 intercollegiate football teams grew to more than 600, with as many as 60 bowl games being played post-season and an enormous national fan base. It was even common during this era for some schools to participate in multiple post season contests. The enormous growth led to widespread financial misconduct. *Time* magazine reported in 1946 that the University of Oklahoma spent “as much as \$200,000” on incentives to players.<sup>14</sup> At this time, any payment to or on behalf of an athlete in return for competing was considered a violation of amateur status.<sup>15</sup> Since the amateur rule was widely ignored, though, the NCAA began to shift its stance, believing that it would have more influence monitoring some level of controlled grants-in-aid than it would have continuing to ban incentives altogether.

In 1956, the NCAA relented and officially sanctioned the award of 4-year scholarships for the express purpose of rewarding athletic merit. Originally, scholarships were retained regardless of the ongoing decision or ability of the athlete to participate in his or her sport. By the early 1970s, this same athletic scholarship had evolved into a “pay-for-play” agreement, which required annual renewal. While intended to ensure that incoming freshmen declared reasonable intent to meet the obligations of their scholarship award, an unintentional side effect was to shift the nature of an athletic scholarship from a pure educational grant to a form of compensation for competing.

More recently, the NCAA and its member institutions have seen the growth of women’s competition. Title IX, which was signed into law by President Richard Nixon on June 23, 1972, prohibits sex discrimination in any education program or activity receiving federal financial assistance. This statute, after numerous legal

12 Stagg coached Chicago from 1892 (the first football practice was held on the same day as the first class) to 1932. Stagg, who still has the fourth highest number of wins of any NCAA coach, helped mold the game as we know it today in a period where Chicago teams became known as the “Monsters of the Midway”.

13 Robert Maynard Hutchins, *Some Observations on American Education* (Cambridge: Cambridge University Press, 1956), pp. 67-68.

14 *Time* Magazine, 14 October 1946.

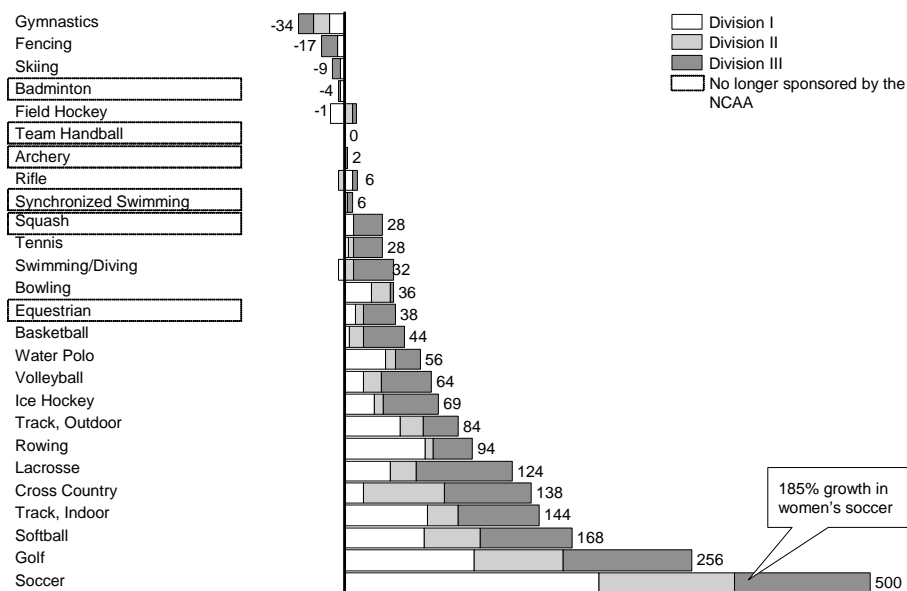
15 This included athletic scholarships.

interpretations, eventually developed into a set of “safe harbors” for academic institutions, usually characterized as the ability to meet one of three “tests”:

1. The male/female intercollegiate athlete split, including walk-ons, at a school is to be roughly equivalent to the male/female split in enrollment.
2. A school should demonstrate a history and continuing practice of adding women’s sports.
3. A school should ensure that the athletic interests and abilities of women on its campus have been fully and effectively accommodated.

**WOMEN’S SPORTS PARTICIPATION INCREASED ACROSS ALL DIVISIONS**

Net changes in NCAA women’s team sponsorship, 1988-2002



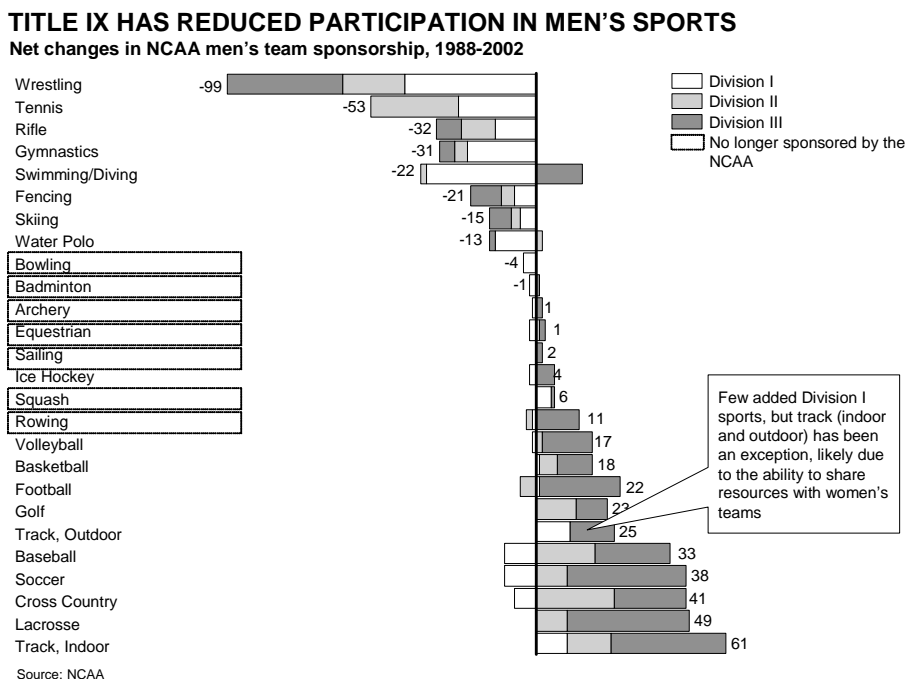
Source: NCAA

In 1982, the Association of Intercollegiate Athletics for Women (AIAW), which had been a parallel governing body of women’s collegiate sports, ceased to exist after the NCAA began sponsoring a larger number of women’s championships.<sup>16</sup> This paved the way for a fundamental shift in the breadth of women’s athletics as the number of teams and participants expanded dramatically. It also opened the door for national exposure, especially for women’s basketball, and the same commercial forces that had transformed men’s sports began to seep into women’s competition as well.

There was a simultaneous impact on men’s sports from Title IX. Financial shortfalls created by the increased number of women’s teams generated additional

<sup>16</sup> Dick Patrick, “Twenty Years Later, AIAW Legacy Lingers,” *USA Today*, 10 March 2002.

pressure on men's "revenue sports"<sup>17</sup> (football and basketball, primarily) to succeed. Additionally, many schools reduced the number of men's sports, particularly wrestling and tennis programs, in order to better meet the requirements of Title IX. Even today, Title IX compliance is an ongoing debate: there are many who believe that the requirements have gone too far, while others push to ensure that schools match men's and women's athletic investments dollar-for-dollar.



Beyond Title IX, the NCAA continued efforts to reform admissions and academic criteria, but met resistance at every turn. Before 1983, admission as an athlete required only high school graduation and a 2.0 grade point average or better. By 1986, the requirements to participate in intercollegiate athletics included a minimum SAT (combined score of 700) and a 2.0 GPA in 11 core high school courses. In the past few years, as the result of political and legal challenges,<sup>18</sup> these basic standards have been replaced with a sliding scale combining GPA and SAT scores. The sliding scale allows more flexibility in admitting students who are either marginal high school students or perform poorly on the SAT. Whether the sliding scale facilitates higher quality students or simply makes it easier for students who do not do well on standardized tests to play NCAA sports remains to

17 At many institutions, revenue sports include football, basketball and sometimes hockey. They are usually characterized as sports that are at least self sustaining and ideally cover some of the costs of other varsity programs. Football and basketball at Rice are not self-sustaining.

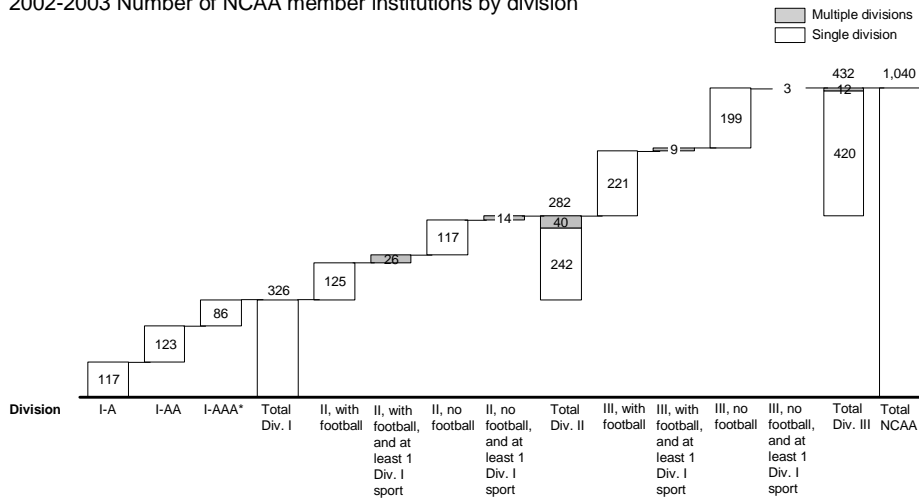
18 *Cureton v. NCAA*, 97-131 E.D. Pa. (1997), for example. Many of these challenges sought to establish an unfair racial bias in standardized test scores.

be seen. In either case, the minimum standards are largely irrelevant at Rice, since athletes are almost never admitted with only NCAA minimum credentials. There may be, however, some indirect benefit of a true increase in admission minimums, since a smaller recruiting pool helps to put the school on more equal footing.

Today's NCAA consists of 1,040 member schools organized into five Divisions (I-A, I-AA, I-AAA, II, and III) along with 128 member conferences.<sup>19</sup> According to the NCAA rules and regulations, the main distinctions among divisions are that Divisions I and II primarily award scholarships with minimum requirements for financial investment whereas Division III does not award scholarships and has no set minimum level of financial investment. The distinction between Divisions I-A and I-AA is specifically around the competitive level and financial investment in football, with Division I-A involving a significantly higher resource commitment than Division I-AA. Division I-AAA schools compete at the Division I level in all sports, but do not play football. The NCAA voted to create these five divisions in 1978, hoping to better organize schools based on levels of overall investment and competitiveness in athletics.

**THE NCAA ENCOMPASSES 1,040 MEMBER SCHOOLS**

2002-2003 Number of NCAA member institutions by division



\* No football program  
Source: 2002-2003 NCAA Membership Directory

The NCAA enacts guidelines for eligibility, enforces compliance (amateurism, sportsmanship, and academic standards), and publishes rules of play; however, it has also grown into an increasingly large business. The organization's revenue for

19 Both academic institutions and conferences are members of the NCAA, e.g., both Rice University and the Western Athletic Conference are NCAA members.



the 2003-04 fiscal year is expected to exceed \$450 million,<sup>20</sup> nearly 90 percent of which is derived from the Division I men's basketball tournament. Yet, this is only a part of the picture. After a 1984 Supreme Court ruling,<sup>21</sup> the NCAA controls no Division I-A football revenue. Schools and conferences (the University of Oklahoma in particular) sought successfully to take this power away from the NCAA because they believed that NCAA control amounted to price fixing and an impediment to free trade. Higher profile, nationally recognized schools such as the University of Oklahoma felt that they were providing an unfair amount of the benefit they generated to schools with lesser national followings.

This external<sup>22</sup> football revenue is significant and while estimates vary on the total value, collegiate broadcasting rights are estimated at more than \$1 billion annually.<sup>23</sup> As a point of reference, ABC's contract to cover the four Bowl Championship Series (BCS) bowls is now worth more than \$20 million per game, and the Big 12 alone earned more than \$42 million in television revenue in fiscal year 2001.<sup>24</sup> The most recent SEC championship game resulted in an estimated \$12 million in ticket sales, sponsorship fees, merchandise sales, and television rights. The total value of this single game illustrates the fact that television rights are only one part of an equation that includes licensing, sponsorship, and ticket revenues. While dwarfed by professional sport revenues (National Football League television revenues, for example, are estimated at \$2.2 billion annually), intercollegiate sport generates significant income for broadcasters, promoters, and advertisers. The large and growing financial incentives among NCAA teams (whether formally controlled by the NCAA or not), combined with multi-million dollar coaching salaries,<sup>25</sup> make Division I athletics look increasingly like a business instead of an extracurricular activity.

20 National Collegiate Athletic Association, *NCAA Fiscal Budget*, (Indianapolis, IN: NCAA, 2003).

21 *NCAA v. University of Oklahoma et al.*, 468 U.S. 85 (1984).

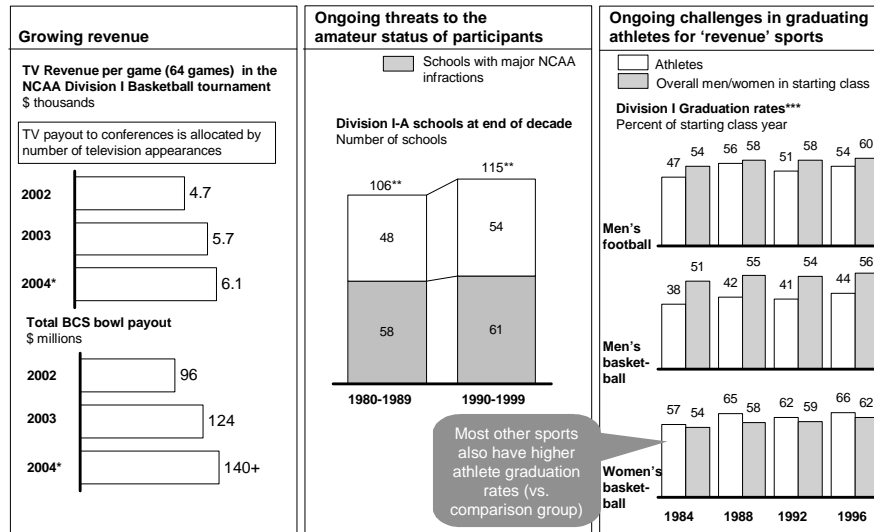
22 As stated, the NCAA controls no Division I-A football revenue.

23 Sports industry estimate from *Street & Smith's Sports Business Journal* website.

24 Big 12 Form 990 July 1, 2001 to June 30, 2002. Includes all television revenues.

25 For example, Bob Stoops, coach of the Oklahoma Sooners, is widely reported to be the highest paid NCAA coach for the 2003 season with a salary of \$2.5 million.

## “PROFESSIONALIZATION” IN THE NCAA MAY BE FUELED BY TV EXPOSURE



\* Projected; basketball tournament revenue based on new CBS \$6 billion contract; estimates for 2004 BCS season's games based on recent trends  
 \*\* Teams at end of decade  
 \*\*\* In 1984, 192 football teams, 282 men's basketball teams, 277 women's basketball teams, and increasing by 1996 to 230 football, 306 men's basketball, 300 women's basketball

Source: Knight Foundation Commission on Intercollegiate athletics; BCS; NCAA; CNN; Los Angeles Times

In the face of these significant financial incentives, the NCAA is tasked with an uneasy role. While its history does include regular efforts at reform, the NCAA is, at its core, an association of member schools that derives power only from the consent of its constituents. As the source of almost all revenue, some of which is distributed to the less competitive divisions, Division I schools wield most of the influence over broad rule changes, financial investment, enforcement efforts, and membership issues. The NCAA's loss of control of football television revenues demonstrates how little power the organization really maintains. In fact, the ability of the NCAA to drive true reform has been compared to political campaign finance reform in the United States: while most members of the association agree on changes in principal, there are huge financial and other incentives to maintain the *status quo* among those that have most power to drive change.<sup>26</sup>

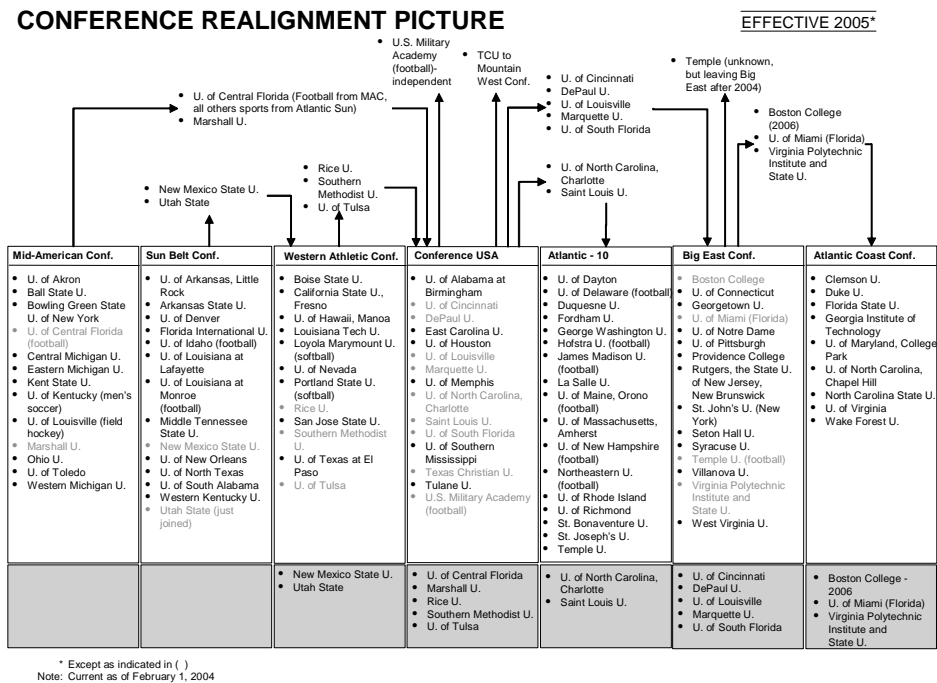
Rice's current division, I-A, is slowly moving towards a further split in competitive level, as the division has developed into a two-tier "have" and "have-not" system, dominated by the six BCS conferences.<sup>27</sup> This is already causing conference realignment and competitive turmoil. By 2005, the current set of conferences will look very different, with the Big East Conference and the Atlantic Coast Conference (ACC) inciting much of the reshuffling. Rice's move

26 Paraphrased from Thomas McMillen, former Maryland congressman and NBA star (Atlanta Hawks and Washington Bullets). Thomas McMillen, National Symposium on Athletics Reform, Tulane University, New Orleans, LA., 11 November 2003.

27 BCS member conferences are the Atlantic Coast Conference (ACC), Big East, Big Ten, Big 12, Pacific-10 (Pac-10), and Southeastern Conference (SEC). These conferences have automatic berths into the Bowl Championship Series (BCS), consisting of the Rose, Sugar, Orange and Fiesta Bowls.

to C-USA, a non-BCS conference, is not without financial constraints, but it is believed that C-USA stands a reasonable chance of eventually gaining an automatic berth into one of the BCS bowls. More importantly, it is likely the best option for Rice if it chooses to remain in Division I-A, since it is unrealistic to assume that Rice could gain membership to a more financially lucrative conference.

Tulane, a member of C-USA after 2005, fell just short of at-large BCS bids in recent years, and TCU also nearly earned a berth last season. Unfortunately, TCU, a current member of C-USA, recently announced that after 2005 the school would play in the Mountain West conference. This calls into question both the stability of the conference and the viability of C-USA gaining an automatic BCS berth.

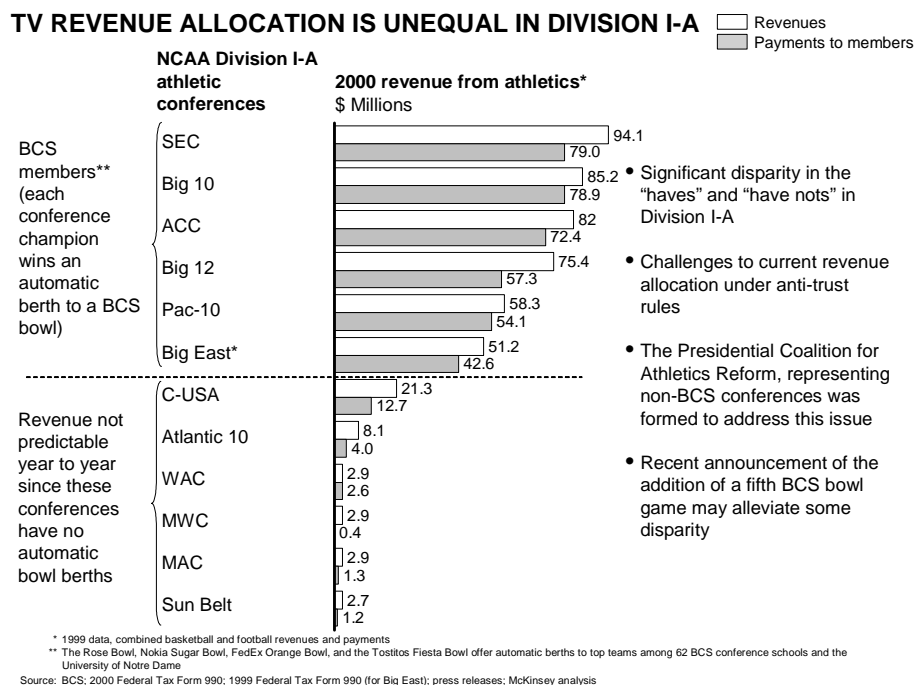


This further fracturing, based in part on the ability to attract football revenue, highlights differing philosophies regarding intercollegiate competition. The original creation of the NCAA division system, the subsequent breakup of Division I into I-A, I-AA, and I-AAA, and the further pressure now created by the BCS are evidence of the dichotomy between schools who view intercollegiate athletics as an adjunct to an academic mission and schools that treat it as fundamental to the American collegiate experience.<sup>28</sup>

While there is a clear difference in total revenue, conferences are further differentiated by their ability to rely on that revenue as recurring. Within the BCS

conferences, there is a guarantee that at least one school—the conference champion—will go to a major (BCS) bowl. This currently means an invitation to either the Sugar, Rose, Orange, or Fiesta Bowl. The national championship, as it currently stands, will always be decided in one of those four bowls. In contrast, forecasting revenue for C-USA or the WAC is much more problematic since much of the revenue is tied to the year-to-year performance of the teams in the conference, with no stable berth in a lucrative bowl. The recent announcement by the BCS that a fifth bowl will be added (increasing the number of at large bids from two to four since no further automatic berths have been announced) mediates this somewhat and creates more opportunity for C-USA. However, the simultaneous migration of the top basketball schools out of C-USA could dramatically affect the basketball related revenue in the other direction—in 2002, television and tournament distributions were more than \$6 million, most of it generated by schools that will no longer be playing basketball in C-USA as of 2005.

Arguably, though, the creation of the BCS in 1998 simply formalized a split that had existed for years. While it is not often mentioned in the media, in the past 40 years, current non-BCS schools have played in one of the four current BCS bowl games only eight times.<sup>29</sup>



29 Todd Turner, former Vanderbilt Athletic Director, National Symposium on Athletics Reform, Tulane University, New Orleans, LA., 11 November 2003.

The revenue disparity within Division I-A is not the only economic dichotomy in the NCAA: the division system has implications for the athletes as well. Division I scholarship athletes compete at the highest levels and commit disproportionate amounts of time and attention to athletic success relative to the athletes in Division II and III. These same Division I athletes are the primary source of revenue generation in the NCAA, and the NCAA distributes a portion of the wealth they generate to support other collegiate athletics programs. For example, around \$14 million (3 percent) of NCAA annual revenues pay for the (non-scholarship) Division III's tournaments and championships.<sup>30</sup> Economics seem to underlie a large share of the forces driving top-tier athletics decisions and their unintended consequences.

The American cultural need to win also reinforces many of the incentives that proponents of reform feel are most irreconcilable with the objectives of an academic institution. This competitive tension is nearly as prevalent in schools without athletic scholarships, such as Division III, the "Ivies", and certain other Division I-AA leagues,<sup>31</sup> as it is in Division I-A. Those schools struggle with the same pressures to admit and fund certain athletes who may not otherwise "fit" the admissions criteria. "Packaging," as it is often called in the Ivy League, results in *de facto* athletic scholarships for the star point guard or the desperately needed pitcher. The value of winning, even at these lower levels of NCAA competition, should not be underestimated. In particular, some constituents at American colleges and universities often find that the playing field is the only place where they can "prove" which is the better school – students who may find it frustrating to judge the quality of their English department versus that of a rival institution may get a clearer (if less educationally relevant) signal from the outcome of a sporting contest with the same rival.<sup>32</sup>

Several groups outside the NCAA are also dedicated to seeking athletics reform: the Knight Foundation Commission, the Presidential Coalition on Athletics Reform, and the Drake Group are just a few of these many organizations. There is increasing pressure to control commercial and competitive incentives that, at least from the perspective of the reformers, run contrary to the educational missions of colleges and universities. Specifically, the Knight Foundation endorses a set of principles that are designed to hold schools accountable for the academic success of athletes, eliminate excessive commercialism, and allow athletes to fully engage in the collegiate experience.

30 Less than 1 percent of NCAA revenues are generated by Division III sports.

31 The Patriot and Pioneer leagues are two conferences that play non-scholarship, Division I-AA football. The Division I-AA Ivy league is completely non-scholarship.

32 Paraphrased from interview with Andrew Zimbalist, 18 November 2003.

As one example of how growing commercialism is threatening the traditional collegiate experience, the Wall Street Journal recently published an article describing how playing time for university bands at basketball games has been reduced to less than half of what it was only five years ago. The time now goes instead to advertisements and gimmicks where t-shirts are lofted into the stands or fans play one-on-one against a giant inflatable milk carton. Many bands are now choosing to play at women's basketball or volleyball games or are disappearing all together.<sup>33</sup>

Internal to the NCAA, a set of reforms which financially rewards schools who do well academically, and sanctions schools who do not, is due to be voted on by Division I presidents in April 2004.<sup>34</sup>

**THE KNIGHT FOUNDATION COMMISSION ON INTERCOLLEGIATE ATHLETICS ADDRESSES AMATEURISM IN THE NCAA**

Issues addressed	Current recommendations
<ul style="list-style-type: none"> <li>• In the 1980s, 109 colleges and universities were censured, sanctioned, or put on probation</li> <li>• Nearly a third of present and former professional football players responding to a survey near the end of the decade said they had accepted illicit payments while in college</li> <li>• Another survey showed that among the 106 institutions then in the NCAA's Division I-A, 48 had graduation rates under 30 percent for their men's basketball players and 19 had the same low rate for football players</li> <li>• Since its first report in 1991, the Knight foundation has continued to address the growing commercialization and professionalization in collegiate athletics</li> </ul>	<p><b>Academics</b></p> <ul style="list-style-type: none"> <li>• Academic processes: Use the same criteria for admission as other students</li> <li>• Graduation rates: By 2007, teams that do not graduate &gt;50% of their players should not be eligible for conference championships or postseason play</li> <li>• Scholarships: Tie to specific athletes until they graduate</li> <li>• Time: Reduce playing, practice, and postseasons to allow a realistic opportunity to complete degrees and have a normal collegiate experience</li> <li>• Minor leagues: Encourage the NBA and NFL to develop minor leagues for athletes not interested in undergraduate study</li> </ul> <p><b>Cost of collegiate sports</b></p> <ul style="list-style-type: none"> <li>• Football costs: Reduce number of scholarships awarded in Division I-A football</li> <li>• Women's sports: Ensure that Title IX not used as an excuse for high costs</li> <li>• Coaches' compensation: Match compensation to prevailing norms across the institution and require controls on outside income (e.g. shoe contracts)</li> </ul> <p><b>Commercialization</b></p> <ul style="list-style-type: none"> <li>• Winning incentives: Eliminate the "win based" distribution of revenue from the NCAA men's basketball contract with CBS</li> <li>• Broadcast rights and control: Insist that institutions alone should determine when games are played, how they are broadcast, and which companies are permitted to use their athletics contests as advertising vehicles</li> <li>• Contracts: Encourage institutions to reconsider all sports-related commercial contracts against the backdrop of traditional academic values</li> <li>• Advertising: Work to minimize commercial intrusions in arenas and stadiums to maintain institutional control of campus identity and prohibit athletes from being exploited as advertising vehicles - uniforms and other apparel should not bear corporate trademarks beyond the normal label</li> <li>• Gambling: Work to ban gambling on collegiate sports</li> </ul>

Source: Knight Commission

Many people believe that the conflicting pressures of reform and commercialism may further fragment the division system in the NCAA, with schools leaving the current structure at both ends of the spectrum. At one extreme, this could result in a strict, well monitored, non-scholarship league that is some component of the current Division III. At the other extreme, some schools may secede from

33 Dennis K. Berman, "Boxed Out by Ads, College Bands Press for Playing Time," *The Wall Street Journal*, 6 January 2004.

34 Skip Rozin and Susan Zegel, "A Whole New Ball Game? The Push to Reform – and Scale-back – Collegiate Athletics is Gaining Yardage," *BusinessWeek*, 20 October 2003, p. 101. Since the original publication of this report, the NCAA has agreed to some of these requirements, including penalizing schools with low graduation rates. The exact criteria (what level of graduation rates, what penalties) have yet to be determined.

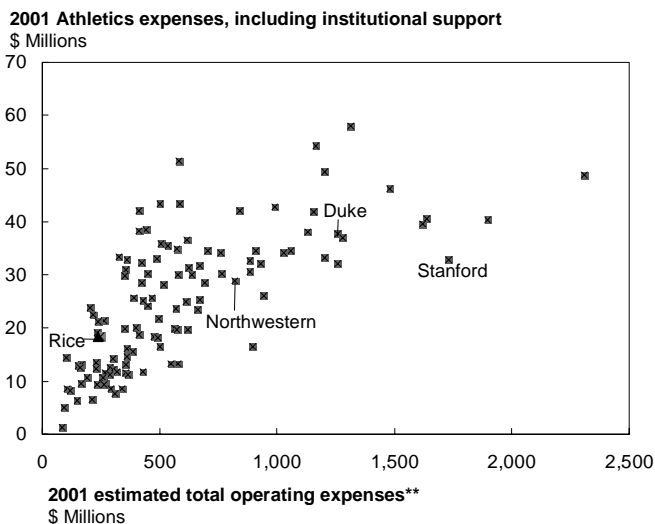
Division I-A to form a “Super I-A” that includes many or all of the schools that currently compete in BCS conferences.

Interestingly, despite growing commercialism and efforts at improving the state of athletics, fewer than a dozen universities, in any division, profit from athletics.<sup>35</sup> The desire to field competitive teams leads to significant reinvestment—whatever the magnitude of revenues—and athletic budgets and facilities grow larger and more complex as a result. This effect is most prevalent in Division I-A, where it generates extraordinary levels of investment and, in parallel, drives up the ante required to see any sort of reasonable success on the playing field. As national recruiting has become fundamental, the best coaching, the best facilities, and the best equipment are often essential to attracting the top athletes required to win. Even with success, though, the net result is almost always higher expectations, more investment, and athletic budgets that are regularly subsidized by university operating funds.<sup>36</sup>

Within Division I-A, the schools hardest hit by this “arms race” in NCAA athletics are the smallest ones, where the cost of fielding athletic teams can be a significant part of the annual budget.

#### ATHLETIC EXPENSES AS COMPARED TO TOTAL OPERATING EXPENSES

Division I-A schools\*



\* 2 schools were not included due to missing data: Rutgers University and U.S. Naval Academy  
\*\* Based on 2000 Department of Education submission, excludes hospital and independent operations  
Source: Department of Education (IPEDS 2000 Financial Data and EADA 2002 data)

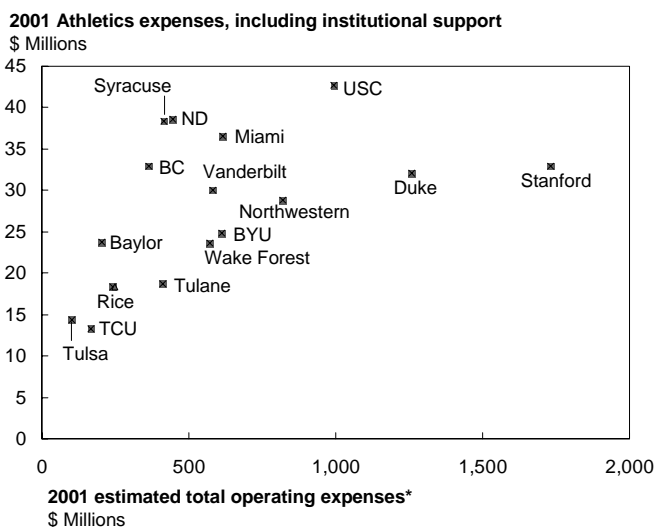
35 Myles Brand, President of the NCAA, National Symposium on Athletics Reform, Tulane University, New Orleans, LA., 11 November 2003.

36 For example, even when Northwestern went to the Rose Bowl in 1996, the school lost money on the trip. Also, James Duderstadt, former president of the University of Michigan—one of the most successful athletics programs in history—recounts that Michigan runs a net deficit in its Athletics Department almost every year.

Compounding the challenge caused by small size, selective schools such as Rice have always struggled to maintain a balance between their academic missions and the desire to be competitive on the playing field. For example, Vanderbilt, which is somewhat similar to Rice, plays against much larger schools in the SEC that have a different set of academic credentials. Vanderbilt has never won an SEC championship in football and has not had a winning football season since 1982. In the 1980s, a Vanderbilt coach summed up the dilemma as wanting “to be Harvard six days a week and Alabama on Saturday.”<sup>37</sup>

**ATHLETIC EXPENSES AS COMPARED TO TOTAL OPERATING EXPENSES  
FOR PRIVATE DIVISION I-A SCHOOLS**

Private Division I-A schools



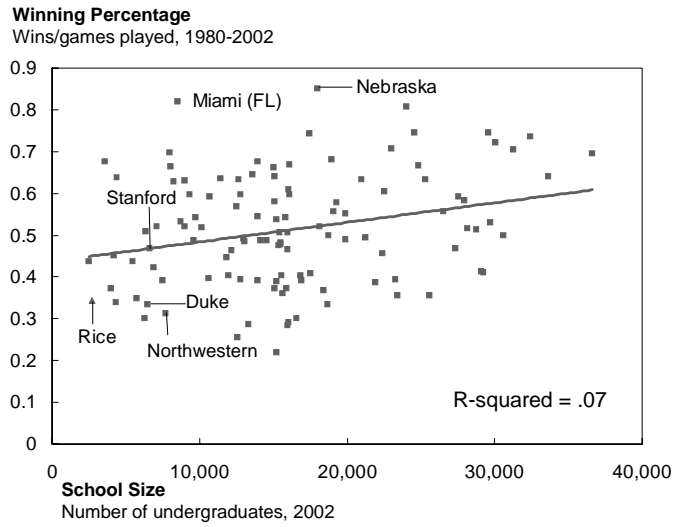
\* Based on 2000 Department of Education submission, excludes hospital and independent operations  
Source: Department of Education (IPEDS 2000 Financial Data and EADA 2002 data)

The set of institutions that selective schools compete against often have a different set of priorities, and often attract a different caliber of undergraduate. It is more likely these differences in priorities and the ability of larger schools to more easily afford the required investments, rather than differences in size itself, that determine athletic success.

37 Attributed to George MacIntyre, Vanderbilt coach from 1979-1985.



**WINNING PERCENTAGE IN I-A FOOTBALL IS UNRELATED TO SIZE\***

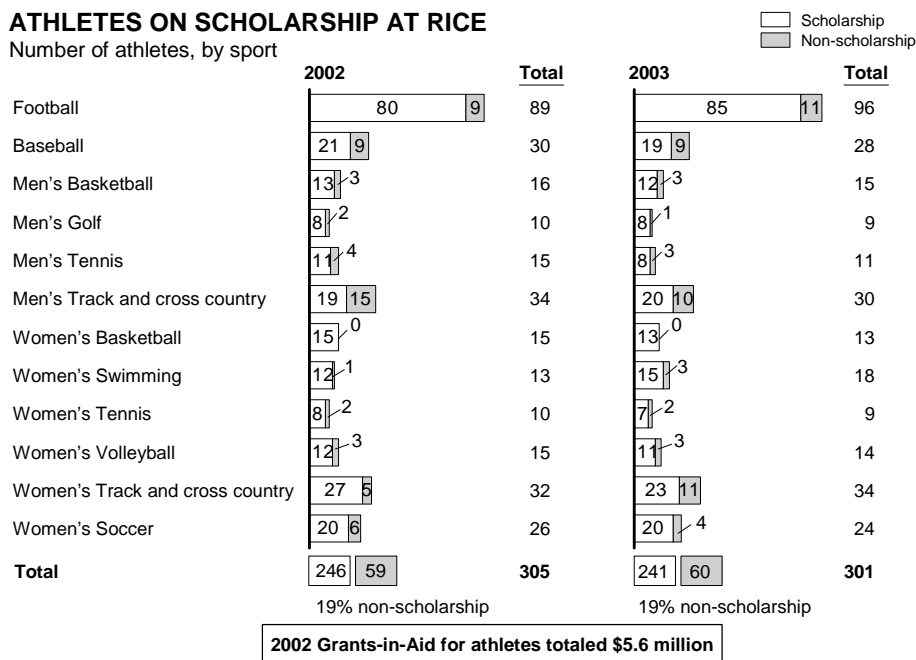


\* Includes 115 Current Division I-A schools who have had a football team from 1980-2002, including SMU, which was forced to eliminate football for 2 years (1987-1988) as a result of NCAA violations  
Source: College Football Data Warehouse; IPEDS

## 2 The Current Situation at Rice University

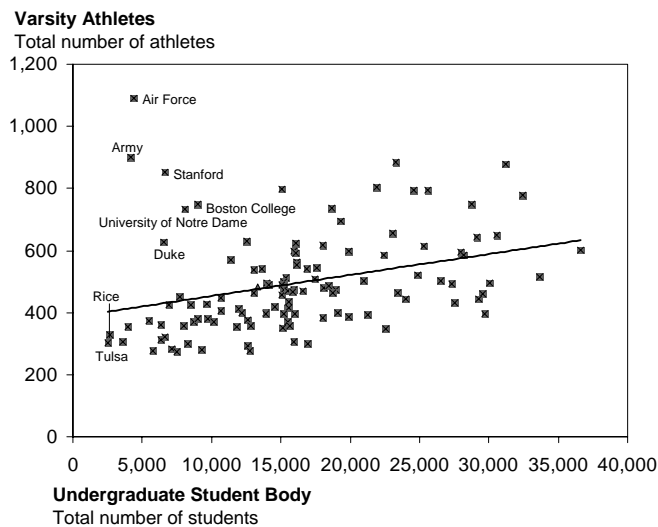
### ADMISSIONS AND THE ATHLETE AT RICE

The standard for an athlete's admission to Rice, as reflected in SAT scores alone, is lower than the standard for non-athletes by as much as 20 percent, with the weight of this difference being carried by the so-called "revenue sports" of football and basketball. Rice athletes are also admitted through a different process than the one used to admit non-athlete students. The largest gap in the athletics admissions process—versus the traditional one—appears to be in determining the "fit" of an athlete with the nature of Rice's academic environment. In fact, many Rice faculty express the view that the numerical credentials of a Rice student are less important than the student's willingness to fully commit to classroom success and participate in other aspects of the Rice "experience."



The previous chapter discussed how the ability of smaller Division I-A schools such as Rice to manage athletic budgets is restricted by a fixed cost “floor,” or minimum investment to field teams and keep them reasonably competitive. There is a similar fixed cost within the Rice admissions process in the form of the minimum number of athletes required to field these same teams. In the context of such a small institution, Rice athletes constitute a significant and visible segment of the overall undergraduate population. As more than 10 percent of undergraduates, they have a substantial impact, whether positive or negative, on the nature, character, and performance of the undergraduate population as a whole.

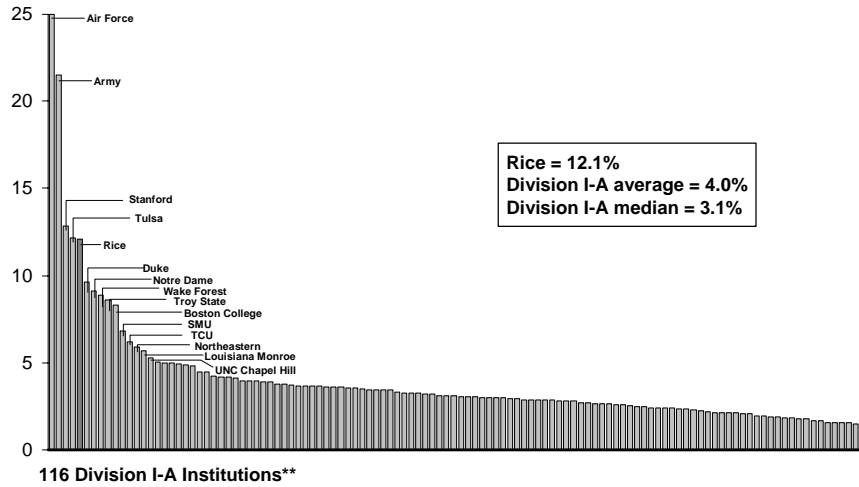
**RICE’S ATHLETICS PROGRAM IS AMONG THE SMALLEST IN DIVISION I-A**



\* 1 school was not included due to missing data: US Naval Academy  
Source: Department of Education 2001-2002 EADA Data

**ATHLETES REPRESENT A SIGNIFICANT PORTION OF THE STUDENT BODY COMPARED TO OTHER DIVISION I-A SCHOOLS**

**Varsity athletes\***  
Percent of undergraduate student body



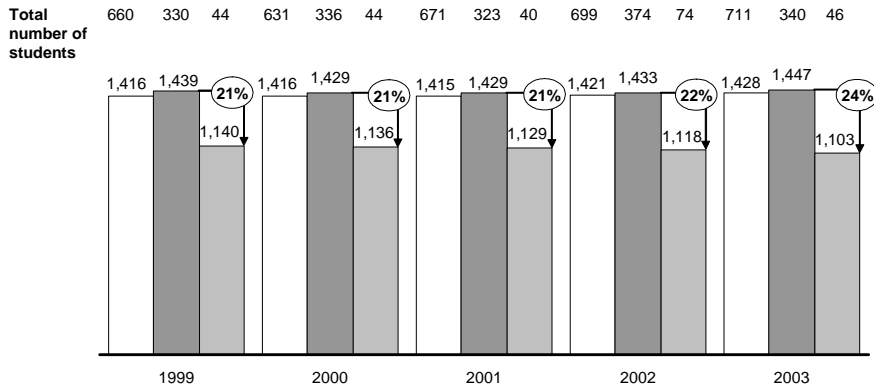
\* Includes walk-on and scholarship athletes  
\*\* U.S. Naval academy did not report data  
Source: EADA 2001-02

Among Division I-A schools, the average percentage of undergraduates who are varsity athletes is about 3 percent. If athlete admits had similar SATs and GPAs to the rest of Rice admits, the much larger athlete percentage at Rice would have far less impact. The reality is that Rice athletes are not, at least on the basis of SAT scores, representative of Rice admits as a whole. Male athletes, on average, enter with SAT scores more than 20 percent lower than all Rice male non-athletes.

**MALE ATHLETES' SAT SCORES ARE 20% LOWER THAN OTHER RICE MATRICULANTS**

□ Rice non-athlete average  
■ Rice male non-athlete average  
▒ Rice male athlete average

**SAT scores, 1999-2003 matriculated students**  
Score out of 1,600\*



**~22% gap in SAT scores between average male non-athlete matriculants and average male athlete matriculants**

\* Includes ACT scores converted over to SAT equivalents using SAT conversion table from ACT concordance study 1997; 6 matriculated students' SAT/ACT scores were not recorded  
Source: Rice University enrollment data

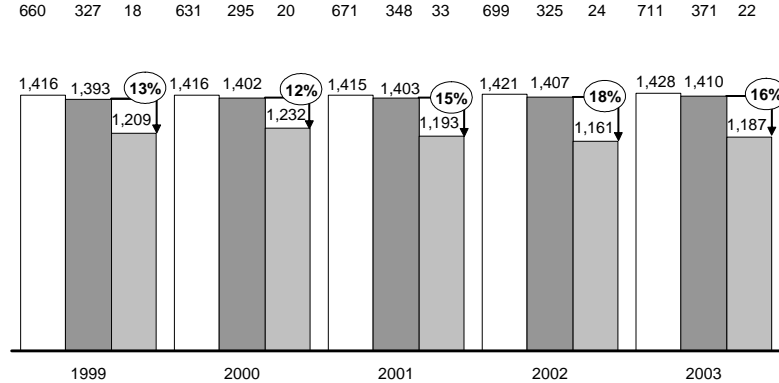
The gap in SAT scores for female athletes is somewhat smaller, but still significant at 12-18 percent below Rice female non-athletes.

**FEMALE ATHLETES' SAT SCORES VS. OTHER RICE MATRICULANTS**

□ Rice non-athlete average  
 ■ Rice female non-athlete average  
 ▒ Rice female athlete average

SAT scores, 1999-2003 matriculated students  
 Score out of 1,600\*

Total number of students



~15% gap in SAT scores between average non-athlete female matriculants and average athlete matriculants

\* Includes ACT scores converted over to SAT equivalents using SAT conversion table from ACT concordance study 1997; 6 matriculated students' SAT/ACT scores were not recorded

Source: Rice University enrollment data

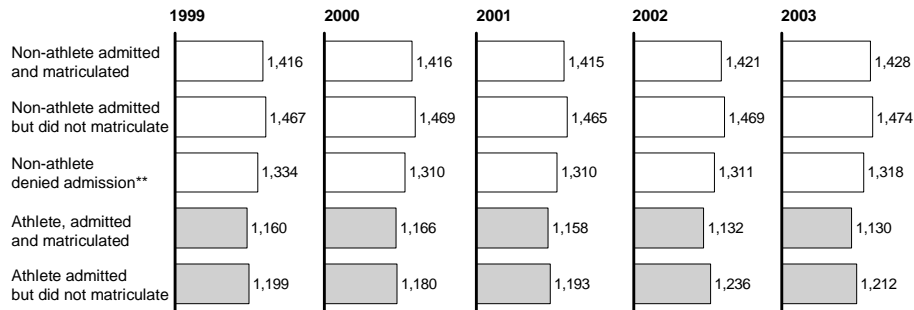
Nationally, Rice fares very well when SAT scores are considered. Rice athletes' SAT scores are 120-170 points above the national Division I-A average<sup>38</sup> and are on par with many of Rice's academic peers in I-A (e.g., Stanford and Duke). Rice athlete scores, while lower than other Rice students', also compare favorably to more broad measures. For example, the average SAT at Texas Tech is 1175 and the national average SAT is about 1080. Nonetheless, Rice athletes' SAT scores fall more than 140 points below the average for Rice applicants who are denied admission.

38 National Collegiate Athletic Association, *NCAA Division I Graduation-Rates Report*, (Indianapolis, IN: NCAA, 1998).

## SAT SCORES COMPARED TO NON-ADMITS

SAT scores, 1999-2003 (men and women)  
Score out of 1,600\*

□ Non-athlete  
■ Athlete



- >140 point gap between average SAT of rejected applicants and matriculated athletes, 2003 gap = 188
- >80 point gap between average SAT of rejected applicants and average SAT of admitted athletes, 2003 gap = 106

Note No row for athletes denied admission because non-admitted athletes' admissions data is rarely recorded  
\* Includes ACT scores converted over to SAT equivalents using SAT conversion table from ACT concordance study 1997; 6 admitted students' SAT/ACT scores were not recorded

\*\* 1,649 denied students did not have SAT/ACT recorded; Total number of students denied was 27,269

Source: Rice University enrollment data

This SAT gap is, of course, indicative of only one criterion used for admission to Rice. The reality is that the SAT itself is widely thought to be a poor predictor of collegiate academic performance,<sup>39</sup> and this is no less true among Rice students. There is some evidence to suggest that correlations have been slightly higher historically (SAT scores showed some correlation to freshman year GPA in studies conducted in 1996)<sup>40</sup> but current data suggests that graduating GPA in particular, the totality of the performance of a student at Rice, has only a weak correlation, for an individual, to incoming SAT score.

39 According to The National Center for Fair & Open Testing and others.

40 A 1996 College Board validity study and Rice admissions office study both indicated some correlation between SATs and Freshman GPA. The independent study was not conclusive about the importance of the SAT I score (while placing heavy importance on the SAT II score) and, in fact, concluded that the SAT, in most cases, accounted for very little of the variance in freshman performance when weighed with other admission criteria. The College Board study similarly indicated that, when achievement test scores and high school GPA were considered, the SAT math and verbal accounted for very little (<5%) of the variation in GPA.

## SAT-ACADEMIC PERFORMANCE CORRELATION (FOR RICE STUDENTS)

Student population,  
last 3 graduating classes\*

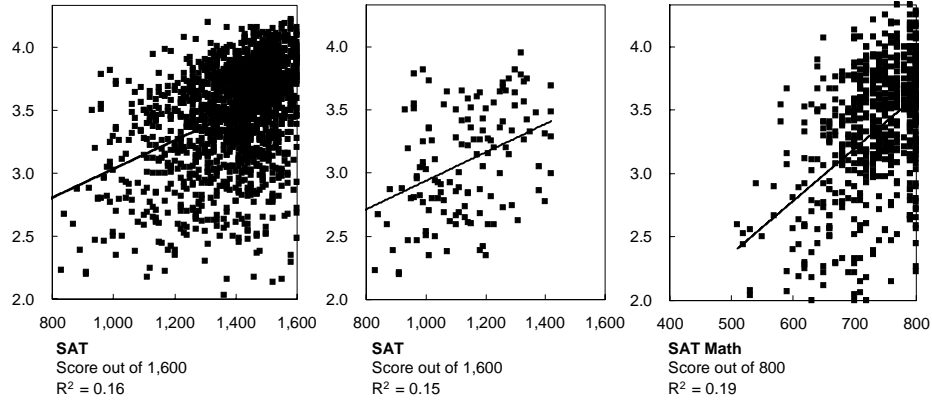
Athletes only, last 3  
graduating classes\*

Student admitted under engineering  
division, Fall 1999-Spring 2003\*\*

GPA at graduation out of 4.33  
Total number of students = 1,839

GPA at graduation out of 4.33  
Total number of students = 129

First semester GPA out of 4.33  
Total number of students = 685



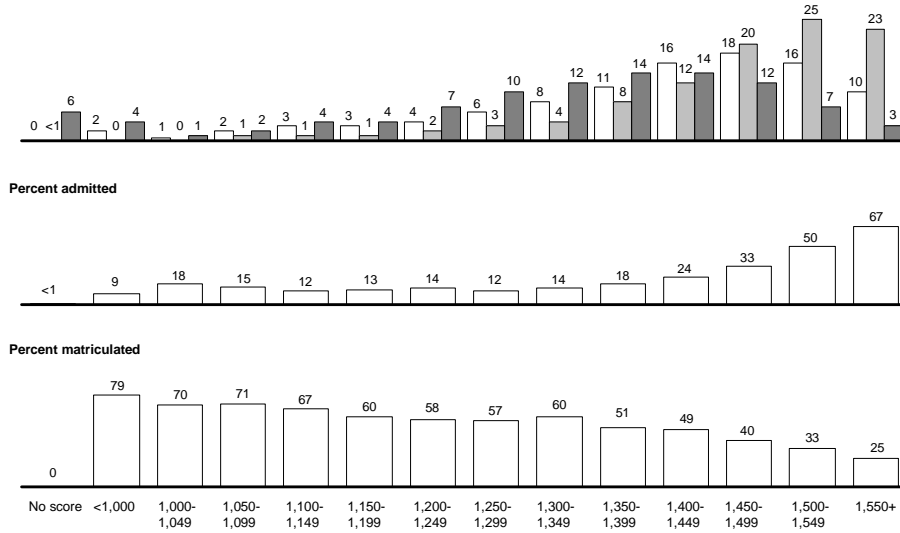
\* Excludes students who did not receive a Rice diploma  
\*\* 131 students took the ACT and therefore were not included in this sample  
Source: Rice University enrollment and admissions data

Despite the weak statistical relationship between incoming SAT scores at Rice and GPA at graduation, the SAT is still a significant factor in the admissions decision. There is a clear relationship between the SAT score and the probability that a given Rice applicant will be admitted.

## SAT-ADMISSION CORRELATION Admission statistics for Rice men

SAT scores  
Percent of total, male applicants – 1999-2003

Total in category  
 Admitted and matriculated: 1,927  
 Admitted, did not matriculate: 2,615  
 Not admitted: 13,849

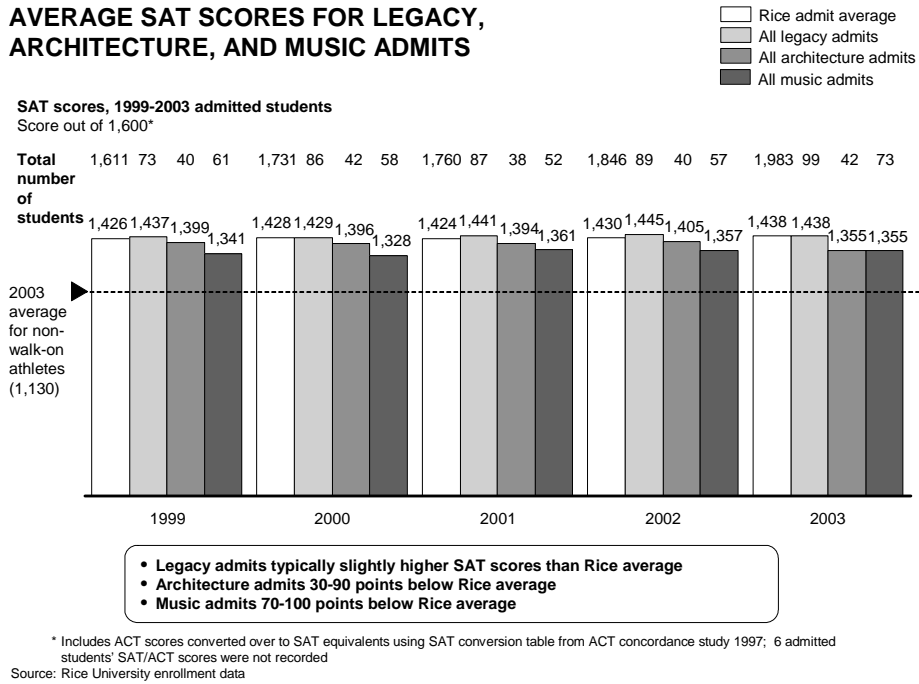


Source: Rice University admission data

The SAT is one of a vast number of factors that Rice uses in selecting applicants for admission. Many of these, however, are qualitative in nature and Rice does not maintain statistically useful data on other quantitative admissions criteria. Records on both high school rank and high school GPA are sporadic and problematic because of multiple scales.<sup>41</sup> Despite these limitations, several factors including size of class, extracurricular participation, and competitiveness of curriculum are taken into account in an admissions process that is informed by, but not limited to, test performance.

Athletes are by no means the only segment of Rice applicants that have systematically lower SAT scores. Other admit categories, including architecture and music admits, have lower SAT scores than the average. Still, even the segment with the lowest scores (music admits) have only a 6 to 7 percent gap when compared to Rice students as a whole.<sup>42</sup> Interestingly, Rice legacy admits actually have slightly higher average SAT scores than the overall admit average.

**AVERAGE SAT SCORES FOR LEGACY, ARCHITECTURE, AND MUSIC ADMITS**



Within the gaps in athlete SAT scores, significant variances exist by sport. Football and both men's and women's basketball have consistently lower average SAT scores than other sports. SATs for Rice football and men's basketball

41 There are multiple cases of athletes admitted to the University who place in the bottom half of their high school class and who have core class high school GPAs well below 3.0. In the years 1999 through 2003, the lowest high school GPA was a 2.13, and the lowest high school class rank recorded was in the 72nd percentile. The lowest SAT was an 830.

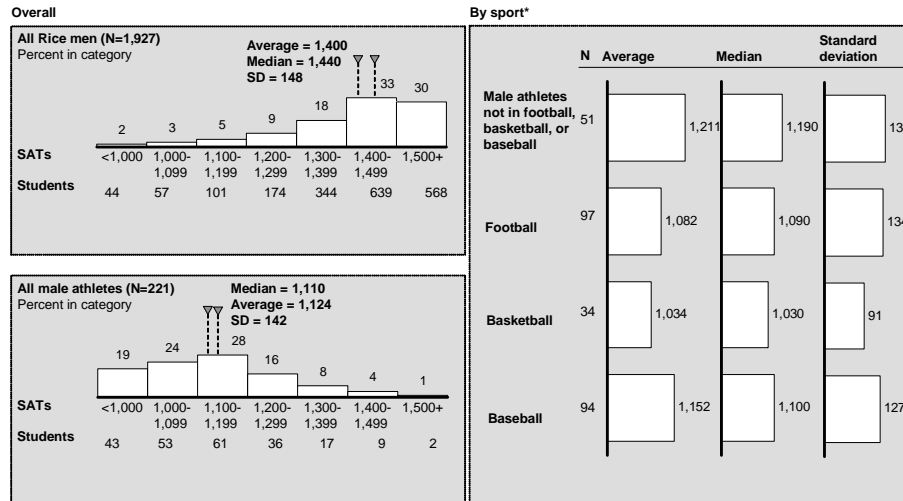


athletes are 5 to 6 percent lower than the average SAT of Rice male athletes, and are also 20 to 25 percent lower than the average SAT of all Rice male admits.

### DISTRIBUTION OF MALE ATHLETE SAT SCORES

Total SAT score, 1999-2003

Matriculated students in category



Note: Percents may not add to 100 due to rounding  
 \* Histograms not shown due to privacy concerns  
 Source: Rice University enrollment data

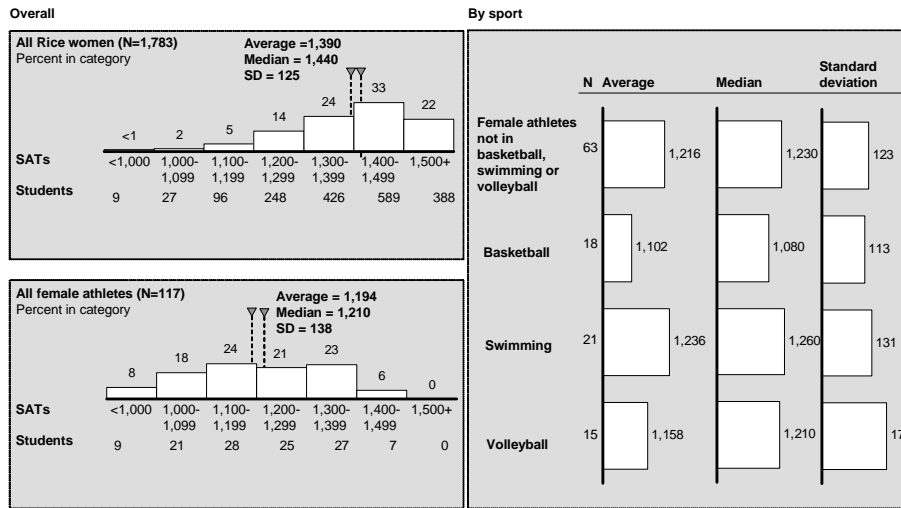
Furthermore, football represents a unique case because of the sheer number of admits (20 to 25 per year) required to keep a team with highly specialized positions competitive. In fact, football accounts for more than half of the Rice students who are admitted with an SAT of less than 1,000 (35 of 54).

Rice female athletes, while having slightly higher SAT scores in general than male athletes, still have scores 15 percent below the Rice female average. When scores by sport are examined, SAT scores for Rice women's basketball athletes fall 6 percent below the average for all female athletes and more than 20 percent below the average for all Rice female admits.

## DISTRIBUTION OF FEMALE ATHLETE SAT SCORES

Total SAT score, 1999-2003

Matriculated students in category

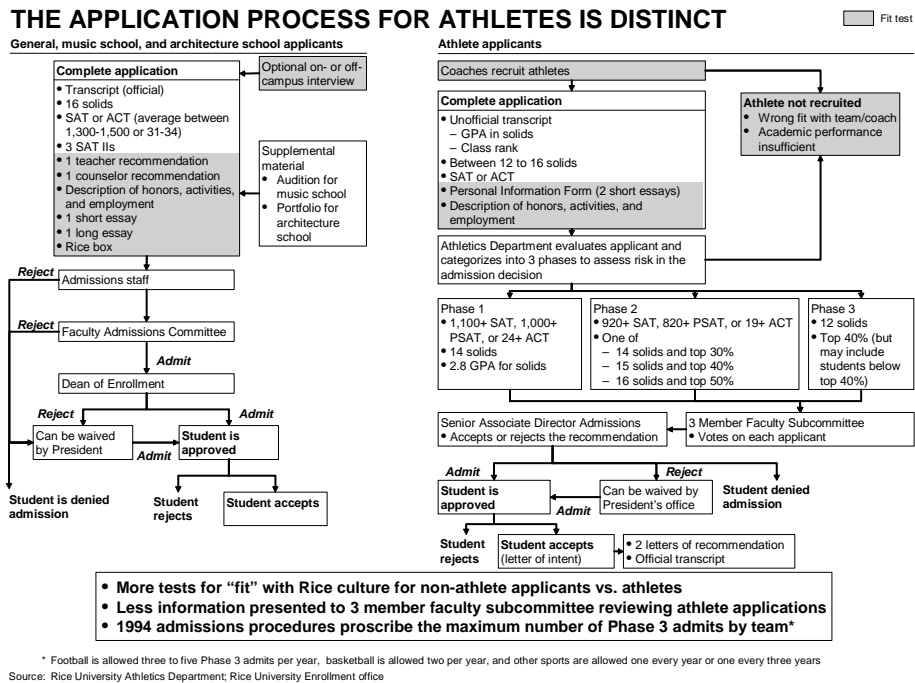


Note: Percents may not add to 100 due to rounding  
\* Histograms not shown due to privacy concerns  
Source: Rice University enrollment data

Underlying some of these differences in admission data are two substantially different admissions processes. Similar to most Division I-A programs, athletes at Rice are admitted under a separate, abbreviated process that is built around recruiting and signing an individual athlete who (a) has a set of academic credentials that do not prevent him/her from succeeding at Rice, (b) can be competitive on the playing field, and (c) can “fit” with a coach and team’s playing style. There is relatively little in the athlete application process that tests “fit” with the broader academic and social aspects of the University or with the innate desire of an athlete to take advantage of a Rice education.

To its credit, Rice’s abbreviated application process is considerably more in depth than that of most Division I-A schools, and many reasons exist to support some level of distinct admission protocol for athletes. Rice coaches face intense competition scouting and recruiting academically and athletically talented high school athletes. The pressure in recruiting quality athletes means that Rice coaches and staff are often faced with a difficult question from a prospect: “I have a scholarship offer with X, do I have that right now with Rice?” In fact, high school coaches and parents often react negatively to the (relatively) more extensive Rice athletics admissions process. As a result, the more time consuming parts of the application, such as the two short essays that some prospects purportedly fill-out during a visit to Rice, may become more of a formality. Rice does not, however, have the most extensive athlete application process: Stanford and Duke athletes, for example, are admitted through an application process which is fairly similar (at least by reputation) to the process used to admit other Stanford

and Duke students. This includes completing the standard application, including all essays.



## ATHLETES IN THE CLASSROOM

In terms of class selection and academic performance, Rice scholarship athletes are different, on average, from Rice non-athletes. Athletes gravitate towards a narrower set of majors, Kinesiology in particular, and have grade point averages approximately a half grade point below their non-athlete peers. When the most commonly taken classes on campus are considered, this GPA difference is even more striking and the average gap widens to as much as a full letter grade. Some aspect of these differences may be unrelated to the commitment of time and attention to sport, as walk-on athletes' GPAs are much more representative of Rice students overall. Finally, the lower academic performance is somewhat weighted towards a subset of the total athlete population, particularly athletes in basketball and, to some extent, football.

### Athlete choice of curriculum

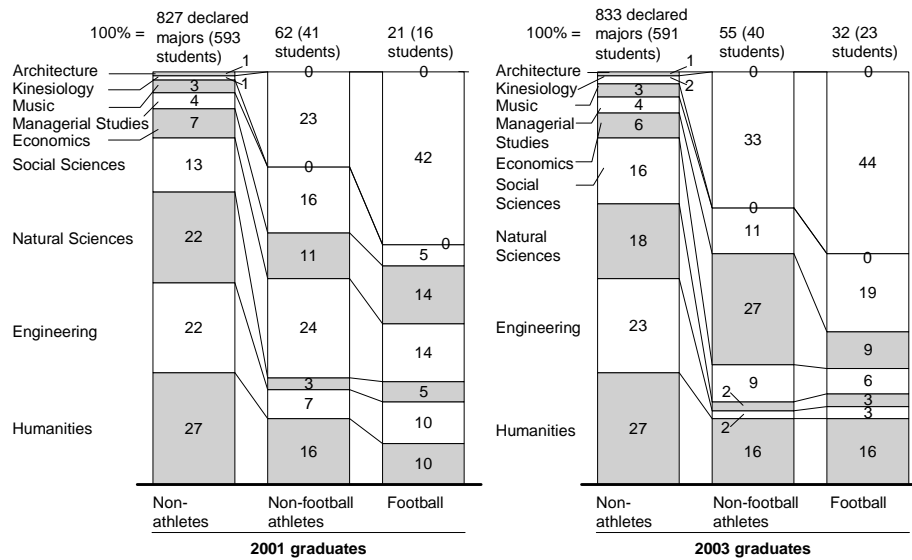
Once athletes are admitted to Rice, their choices of curriculum, and ultimately their performance in the classroom, appear different than other Rice students. First, athletes tend to congregate in a smaller set of majors than do Rice students

as a whole. Specifically, scholarship athletes seem to gravitate toward Kinesiology and steer away from architecture, engineering, and natural sciences. This is not entirely unexpected due to the time commitments, lab requirements, and scheduling constraints of these majors.

**GRADUATING CLASS MAJORS FURTHER ILLUSTRATE DIFFERENCES**

**First and second majors declared**

Percent of total declared majors

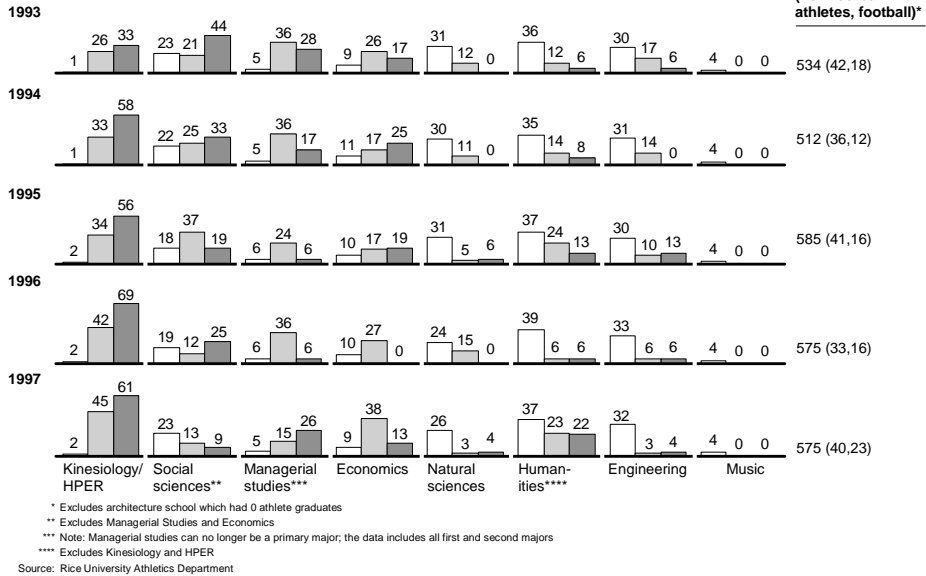


Source: Rice University enrollment data; Rice University Athletics Department

This tendency to congregate in a narrower set of majors also appears to be increasing. Of the Rice athletes who entered the school in 1993, only about 30 percent were majoring in Kinesiology or Human Performance and Health Science (Kinesiology's predecessor). Four years later in 1997, more than half of athletes were in one of those two majors. This concentration is particularly prevalent among football athletes, where more than 60 percent of the 1997 incoming class of scholarship football players graduated in Kinesiology. There is more recent evidence that the appeal of Kinesiology may be broadening beyond athletes, but drawing conclusions is difficult until students have actually graduated, since switching majors at Rice is not uncommon.

## AREAS OF STUDY ILLUSTRATE INCREASING CONCENTRATION AMONG ATHLETES

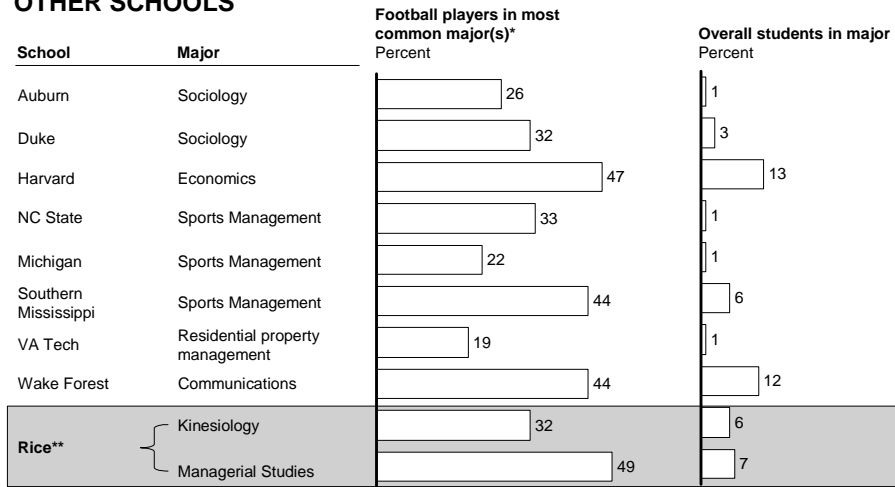
Graduating students who entered Rice between 1993-1997  
Percent of students in area of study, including double majors



Athletes' congregation in a narrow set of majors is also fairly common outside of Rice. It is often argued that this is simply the result of self-selection as athletes are more practical or more business focused. This may in fact be the case; however, the range of majors where athletes choose to focus varies significantly by school. This would indicate that the choice might be less based on interest or career choice and more based on other factors. While little quantitative evidence exists, there are a number of possible explanations. Peer pressure is one consideration: the close-knit nature of teams may simply increase the likelihood of athletes majoring in the same subject as their colleagues. Advice from Athletics Department staff may also influence curriculum choices, as academic advisors are aware of the relative difficulty of various major requirements and potential bias among some faculty members toward or against athletes. Athletes may also perceive that certain majors are more compatible with the time requirements of an athletic practice and training schedule.

**CONCENTRATED MAJORS ARE FAIRLY COMMON AT OTHER SCHOOLS**

EXAMPLES



- Common argument that students seek “practical” majors
- This notion is challenged by a wide diversity of concentrated majors, e.g., at Notre Dame, the most common major is American Studies, though undergraduate business is available

\* Where majors were reported within media guides

\*\* Managerial Studies is a second major; 5 football players or 11% had majored in both Managerial Studies and Kinesiology

Note: Data for non-football majors not publicly available

Source: 2003 Football guides; institution data

This year’s Verizon/College Sports Information Directors of America (CoSIDA) football Academic All-American team helps illustrate this point.<sup>43</sup> There is selection bias as the group is not a complete team that actually participates together, but the All-American team does highlight students who have been successful both in the classroom and on the playing field. The diversity of majors demonstrated by the All-Americans would indicate that this group of athletes is not focused on a single career, academic major, or scholarly pursuit that would lead to any conclusions about the “typical” academic objectives of NCAA athletes.

43 Interestingly, commercialism has crept even into the selection of Academic All-Americans.

## 2003 UNIVERSITY DIVISION ACADEMIC ALL-AMERICA FOOTBALL TEAM

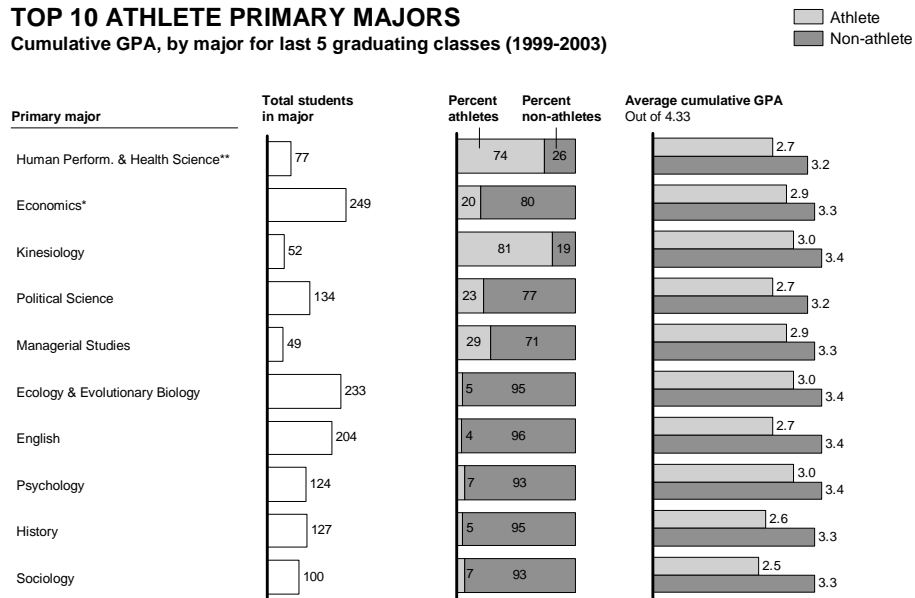
First-team offense			
Name	School	GPA	Major
Craig Krenzel	Ohio State	3.68	Molecular Genetics
Kyler Randall	Eastern Washington	3.88	Social Studies
John Standeford	Purdue	3.65	Elementary Education
John Frieser	Colgate	3.69	Sociology & Anthropology
Mike Hilliard	Duquesne	3.55	Finance
Jason Wright	Northwestern	3.20	Psychology (Pre-Medicine)
Travis Barclay	Ball State	3.99	Physics
Rob Droege	Missouri	3.85	Social Studies/Education
Rodney Reed	LSU	3.94	Accounting
Nick Sellett	Dayton	3.80	Mechanical Engineering
Jason Whaley	Western Carolina	3.91	Computer Information Systems
Nick Browne	TCU	3.97	Finance
First-team defense			
Name	School	GPA	Major
Vince Crochunis	Pittsburgh	3.76	Political Science/Communications
Jon Montoya	Montana State	3.60	Elementary Education
Kevin Rooney	Cornell	3.86	History
Dan Stephens	Pittsburgh	3.76	Urban Studies
Victor Camacho	Albany	3.79	Business Administration/Finance
Rich Scanlon	Syracuse	3.70	Health & Exercise Science
Craig Unger	Morehead State	3.86	Business Administration/Finance
Doug Jones	Dayton	3.52	Accounting/Finance
Nathan Jones	Rutgers	3.60	Finance
Morgan Scalley	Utah	3.95	Communication
Scott Thiessen	Youngstown State	3.59	Special Education
Mark Gould	Northern Arizona	3.57	Marketing

Source: College Sports Information Directors of America

At Rice at least, there is little indication that these major choices serve as a shelter, or that grading is any easier. GPAs are fairly consistent major to major, though athletes do fall short of Rice students on average.

### TOP 10 ATHLETE PRIMARY MAJORS

Cumulative GPA, by major for last 5 graduating classes (1999-2003)



\* 61% of athletes in Economics show Managerial Studies as a second major

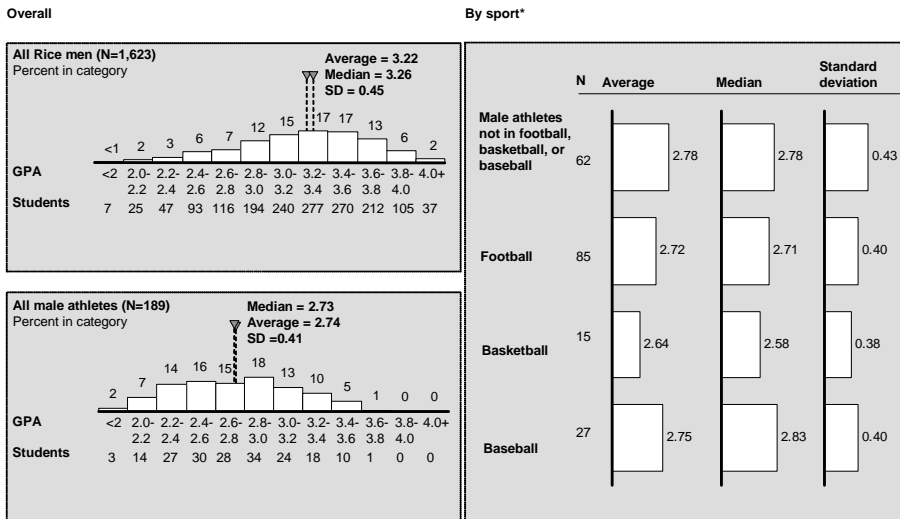
\*\* Discontinued after 2001; However, there are students still currently enrolled with this major

Source: Rice University enrollment data

## GPA gap

When graduating GPAs are considered, Rice athletes again look dissimilar from the rest of Rice's student population. The average GPA of Rice male athletes is nearly a half grade point lower than the average for all Rice males. The average GPA of Rice female athletes is a third of a grade point below the average of all Rice women. As with SATs, there are significant variations by sport, but these differences are less conclusive. Football, and men's and women's basketball athletes typically have slightly lower GPAs (1 to 4 percent lower than all athletes of the same gender) on average.

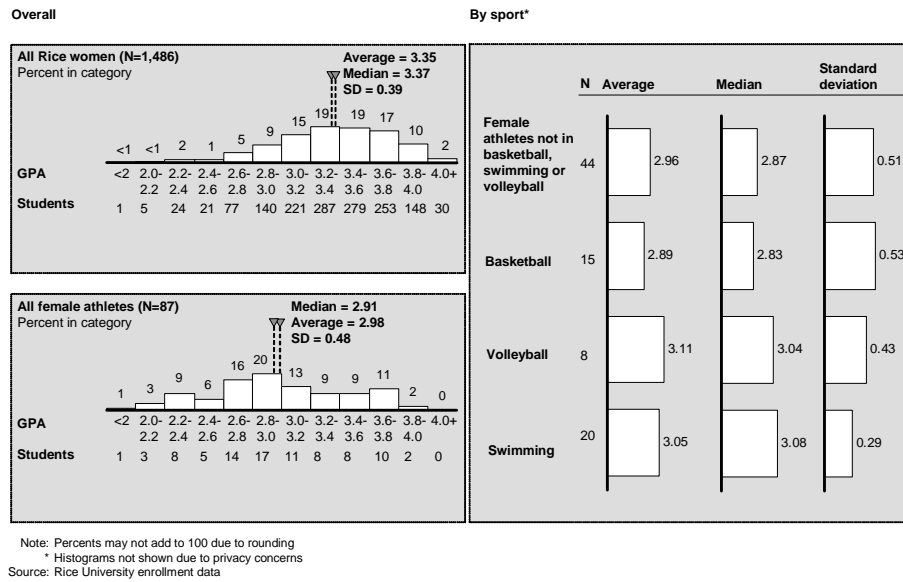
### DISTRIBUTION OF MALE ATHLETE GRADUATING GPAs Men's team graduating GPAs by sport, 1993-1997 entering classes



Note: Percents may not add to 100 due to rounding  
\* Histograms not shown due to privacy concerns  
Source: Rice University enrollment data

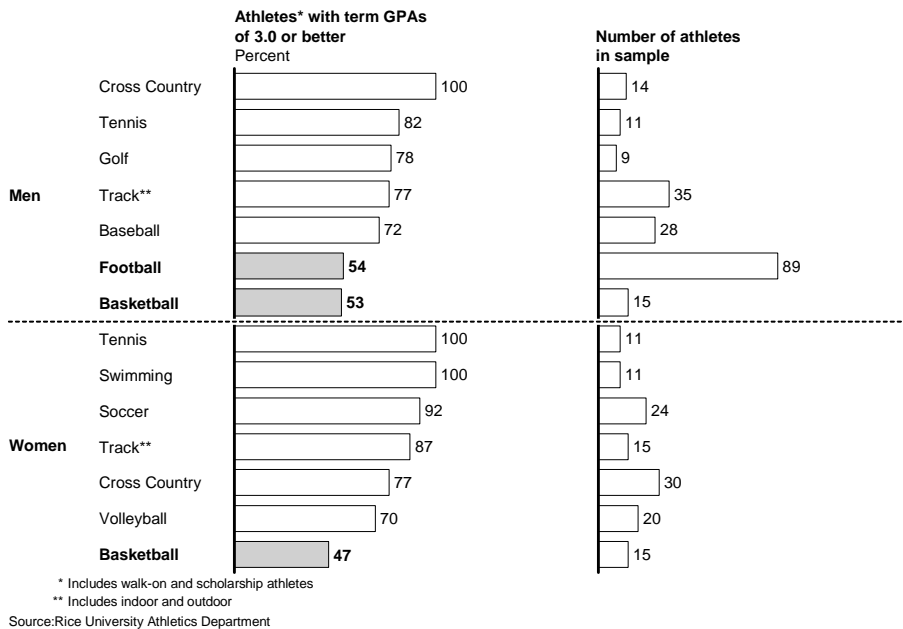


**DISTRIBUTION OF FEMALE ATHLETE GRADUATING GPAS**  
Men's team graduating GPAs by sport, 1993-1997 entering classes

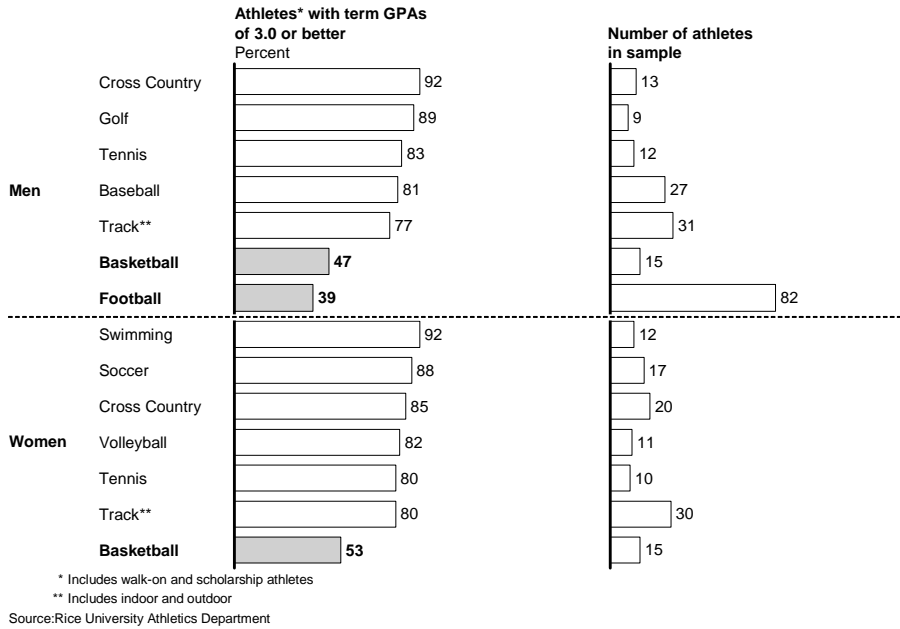


The recent performance of Rice athletic teams illustrates the gap even more clearly, as these same three sports show significantly fewer athletes able to achieve a 3.0 or better. In fact, football and basketball athletes make up nearly half of athlete GPAs below 3.0.

**FALL 2002 ATHLETE ACADEMIC PERFORMANCE**



## SPRING 2003 ATHLETE ACADEMIC PERFORMANCE



The GPA gap also exists in commonly taken courses where both significant numbers of athletes and non-athletes are enrolled. The intersection of the top 20 most popular Rice classes by undergraduate enrollment and the top 20 most popular classes by athlete enrollment illustrate this point. For the four classes that appear in both of the top 20 lists, the gap between athletes and non-athletes ranges from 0.6 to 1.0 grade points.

### AVERAGE GRADE POINT IN MOST POPULAR COURSES FOR ATHLETES AND NONATHLETES 1997 entering class

Athletes (Scholarship)  
 Walk-on Athletes  
 Non-athletes

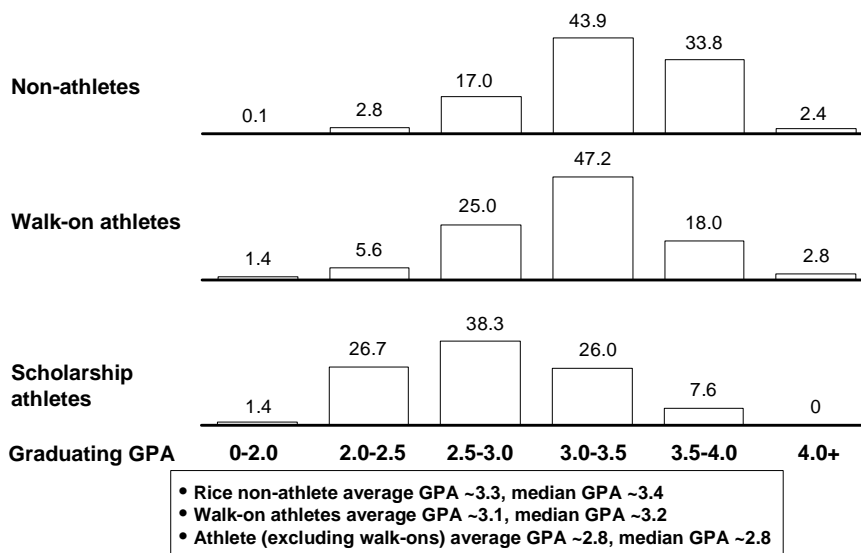
Course	Average grade points (out of 4.33)	Enrollment
Accounting 305:	2.62	27
Introduction to Accounting	3.42	8
Economics 211: Principles of Economics I	3.18	107
Economics 212: Principles of Economics II	2.16	43
Psychology 101: Introduction to Psychology	2.87	10
	3.14	210
	2.43	28
	2.96	9
	3.15	138
	2.30	39
	3.03	10
	3.30	220

Source: Rice University enrollment data

The gap in GPAs between athletes and non-athletes also does not appear to be driven exclusively by the time committed to participation in sports but rather by other influences. For example, walk-on athletes, who have similar time commitments to scholarship athletes, have GPAs that are far more representative of the rest of Rice students.

### WALK-ON ATHLETE GPAs ARE FAIRLY REPRESENTATIVE

Percent of students, entering classes of 1993-1997\*



\* Total number of non-participants was 2,762; total number of participating athletes over five entering classes was 277; total number of walk-on athletes was 72

Source: Rice University enrollment data

## ECONOMICS OF RICE'S ATHLETICS PROGRAM

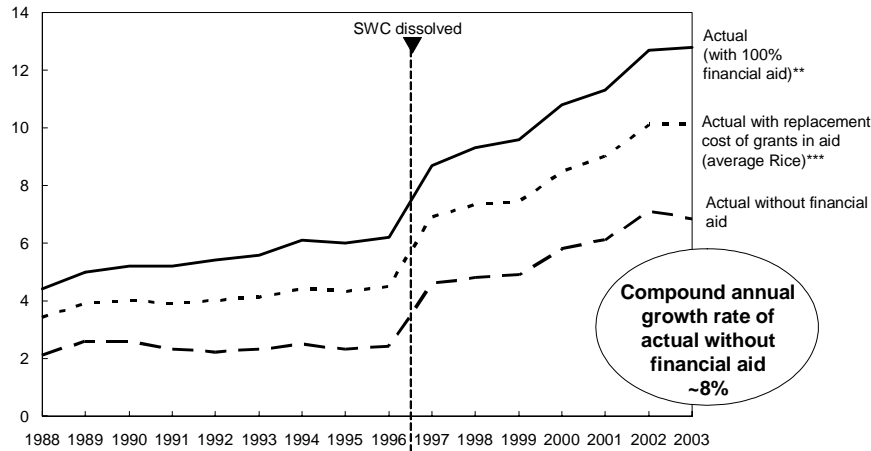
Rice intercollegiate athletics, as is the case at most NCAA schools, do not come close to being self-funding. Rice's competitive history and its likely future indicate that this trend will continue and, if anything, worsen. The dissolution of the SWC and the decline of fan interest during Rice's tenure in the WAC resulted in athletics deficits, when including the full value of grants-in-aid over and above what a typical student receives, of more than \$10 million annually. Rice's 2005 entry into the C-USA is also unlikely to alter this financial situation significantly. Rice must maintain a level of spending similar to NCAA peers in order to remain somewhat competitive, yet it faces a structurally limited ability to bring in revenues. Without improved gate receipts, better support from a group of alumni who are already contributing more than ever, or membership in a BCS conference with its much larger annual payouts, the economic outlook is bleak.

The professionalization of intercollegiate athletics has implications locally as well as nationally. As schools continue their struggle to remain competitive, the

pressure to invest more and more in coaches and facilities drives up the “price to play” in Division I-A. This is no different at Rice, where the deficit between athletics revenues and athletics expenses has risen to nearly \$7 million annually.<sup>44</sup>

### THE OVERALL ATHLETICS DEFICIT, FY 1988-2003

Athletics Department deficit\*  
\$ Millions



\* Deficit is based solely on monies from unrestricted funds and distributions from restricted endowments; designated and gift funds generally do not cover annual operating costs  
 \*\* Financial aid includes 100% tuition waivers, room, and board provided to athletes  
 \*\*\* Calculated at net cost for athlete grants (net of average Rice financial aid, including the athletic grants. This is approximately 45% (varies year to year) – with athletic scholarships removed, net cost is about 40%, but the more conservative number is used to account for the potential that athletes, were they not present, would not (necessarily) be replaced with “average” Rice admits  
 Source: Rice University Budget office

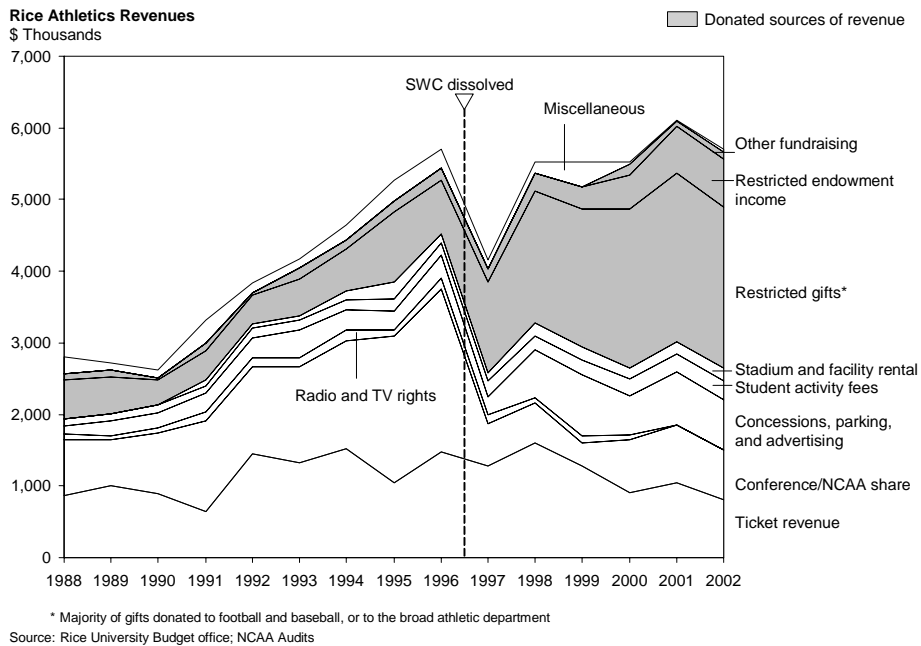
If 55 percent of the value of grants-in-aid is counted—approximately equivalent to the aid an athlete receives over and above an average Rice student—the deficit is more than \$10 million annually. Even with the move to C-USA, which reduces travel expenses and may provide more bowl revenue, this deficit is unlikely to decrease dramatically.<sup>45</sup>

In fact, the existing deficit is mitigated only by contributions from boosters and alumni, as both ticket sales and revenue obtained through conference membership have plummeted in the aftermath of the SWC breakup.

44 Excluding grants in aid.

45 Rice estimates suggest a net annual benefit of about \$750,000 annually by 2007 for moving to C-USA, with the benefit in prior years made substantially smaller by decreased share (per rules for new C-USA members), membership fees, and outstanding obligations to the Western Athletic Conference. This excludes significant upfront costs both to exit the WAC and join C-USA, which together are more than \$1.6 million.

## ATHLETICS REVENUES BREAKDOWN



The above revenue sources also contain some components that are subsidies from the University (potentially making the true revenue numbers smaller). These include Rice's 1:1 matching of contributions to the athletics endowment, which would translate into smaller endowment income (than is indicated above) by approximately \$300,000 in 2002.

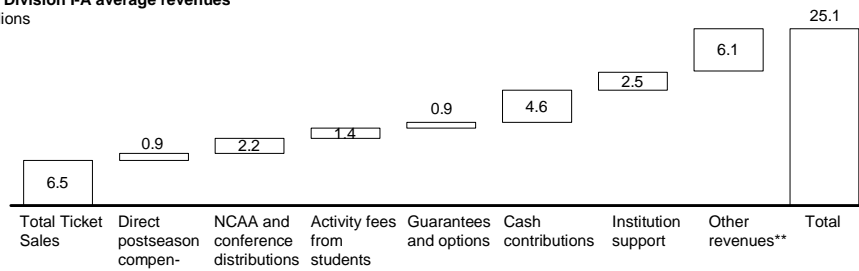
While athletics revenue data beyond Rice<sup>46</sup> is less useful as a means to identify the true revenue of a particular school, it is useful, in total, to draw broad comparisons between the rest of Division I-A and Rice. Consequently, Rice's revenue profile is dramatically different than the average for other Division I-A schools. While a few schools skew the average data, the difference for Rice, particularly in the areas of ticket sales and institutional support, is notable.

<sup>46</sup> Rice related data is based on audited financials; data on other schools is generally based on Department of Education data that is self reported.

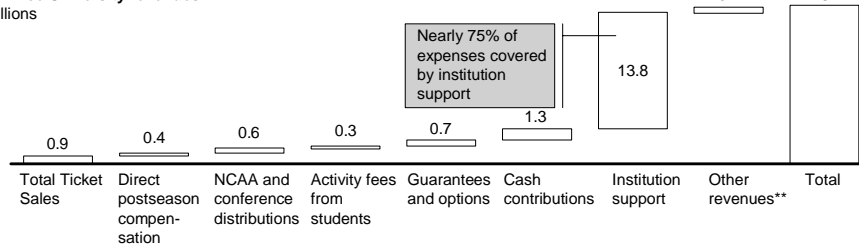
## RICE ATHLETIC REVENUES VERSUS TYPICAL DIVISION I-A

UNAUDITED

2001 Division I-A average revenues\*  
\$ Millions



2001 Rice University revenues  
\$ Millions

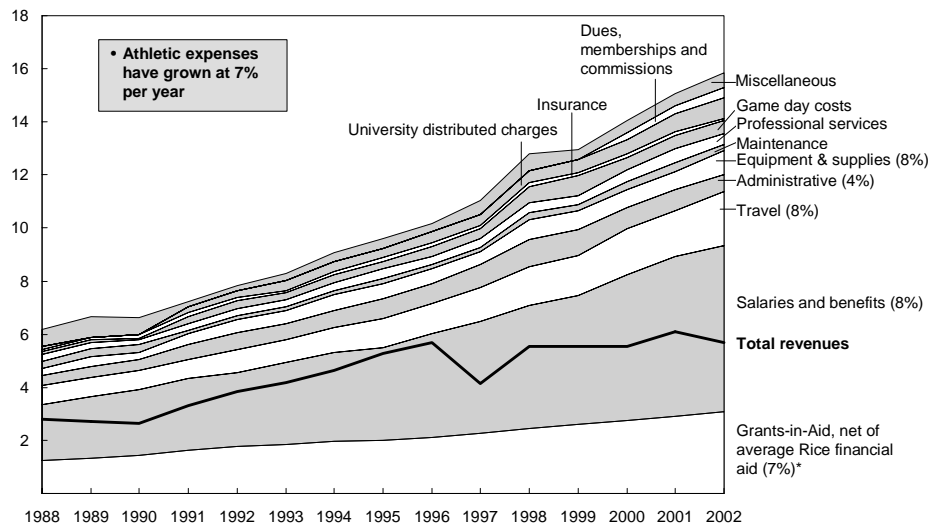


\* Totals are sum of composite averages (not equivalent to averaged totals) for 114 Division I-A institutions  
\*\* Includes concessions, radio/television, program sales/advertising, signage/sponsorship, sports camps  
Source: EADA, Department of Education; NCAA

Salaries, scholarships, and travel comprise the largest costs for Rice athletics, as is the case for most schools. These costs have all been increasing at an annual rate in excess of 7 percent. While this is significant, it is not out of line with the increases in the general operating budget of the University, which have been slightly above this rate.

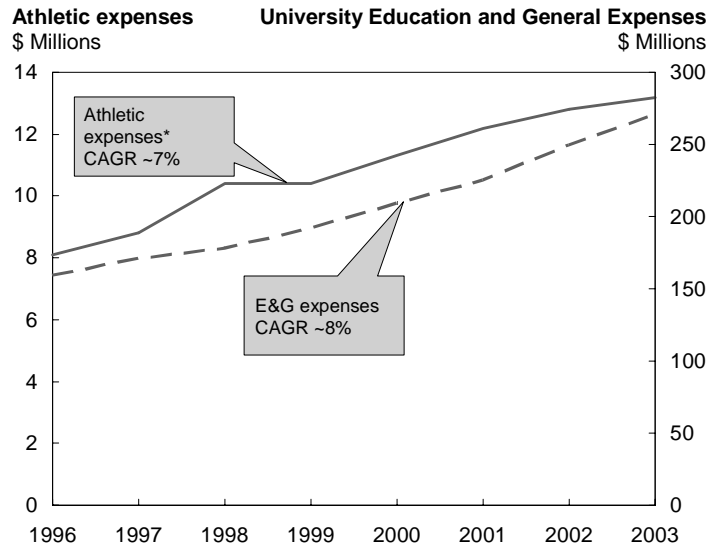
## TOTAL ATHLETIC EXPENSES AND REVENUES

Rice Athletics operating expenses (selected annual growth rates)  
\$ Millions



\* Based on average of 45% of financial aid for a typical Rice student  
Source: Rice University Budget office; NCAA Audits

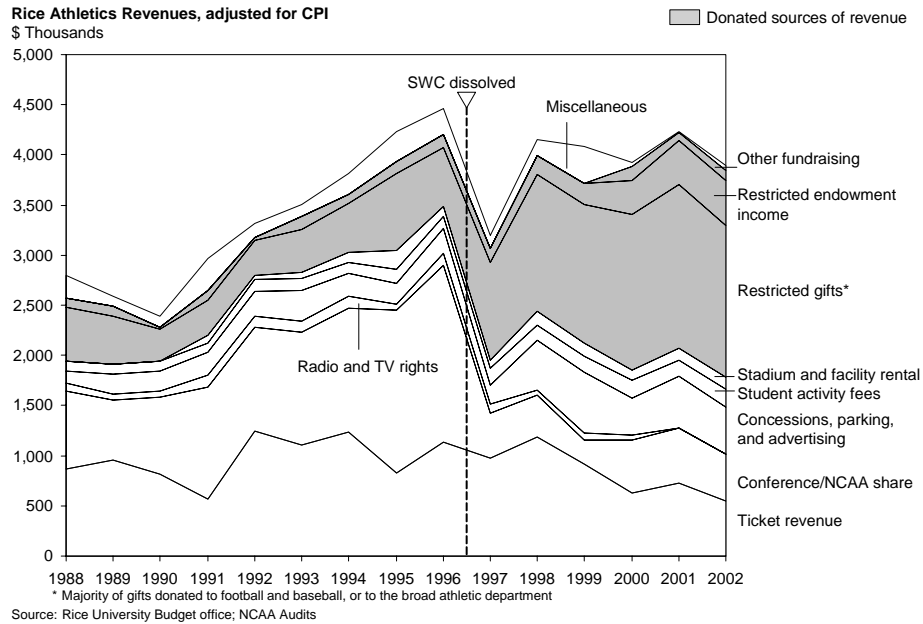
## EXPENSES GROWTH COMPARISON, FY 1996-2003



\* Excludes all grants in aid  
 Source: Rice University Budget Office, NCAA Audits

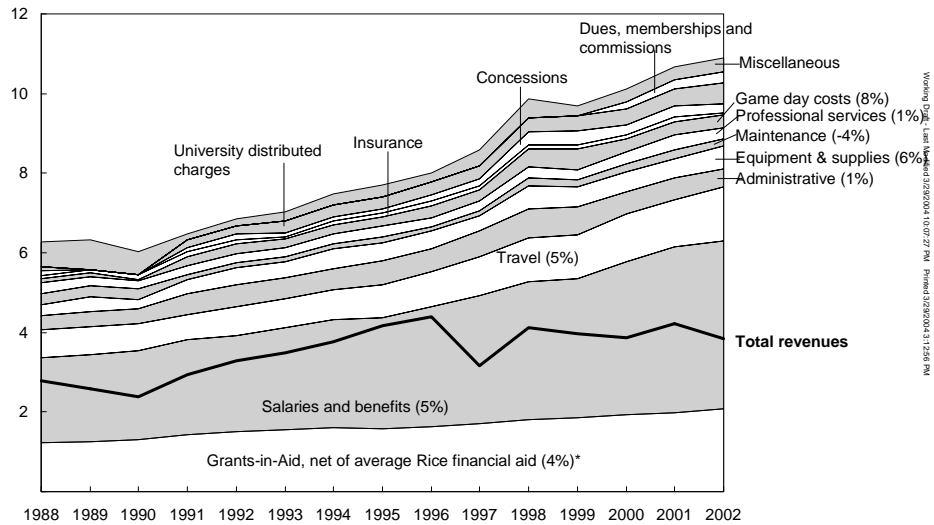
When adjusted for inflation, the picture of revenues and costs for Rice athletics does not change significantly, although growth rates for both are (obviously) reduced.

## ATHLETICS REVENUES BREAKDOWN IN 1988 DOLLARS



## TOTAL ATHLETIC EXPENSES AND REVENUES – IN 1988 DOLLARS

Rice Athletics operating expenses (with selected annual growth rates), adjusted for CPI  
\$ Millions



\* Based on average of 45% of financial aid for a typical Rice student  
Source: Rice University Budget office; NCAA Audits

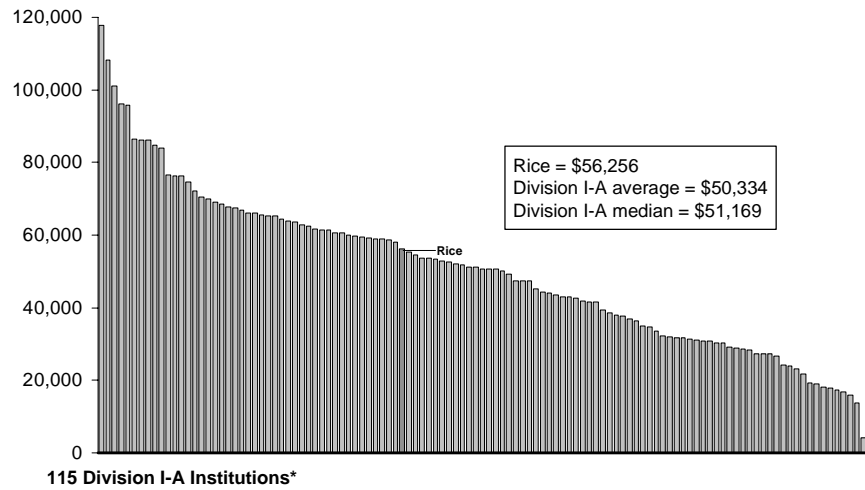
In terms of total spending on athletics, Rice spends below the Division I-A averages; as compared to other Division I-A schools, it ranks 75<sup>th</sup> out of 117 schools by total athletics budget.<sup>47</sup> Additionally, Rice spends at about the average per athlete, as compared to other Division I-A schools

47 Chronicle of Higher Education, *Chronicle of Higher Education: Facts and Figures: Gender Equity in College Sports*, (Washington, D.C.: Chronicle of Higher Education, 2002).



**RICE SPENDS SLIGHTLY MORE THAN AVERAGE ON ATHLETICS ON A PER ATHLETE BASIS COMPARED TO OTHER DIVISION I-A INSTITUTIONS**

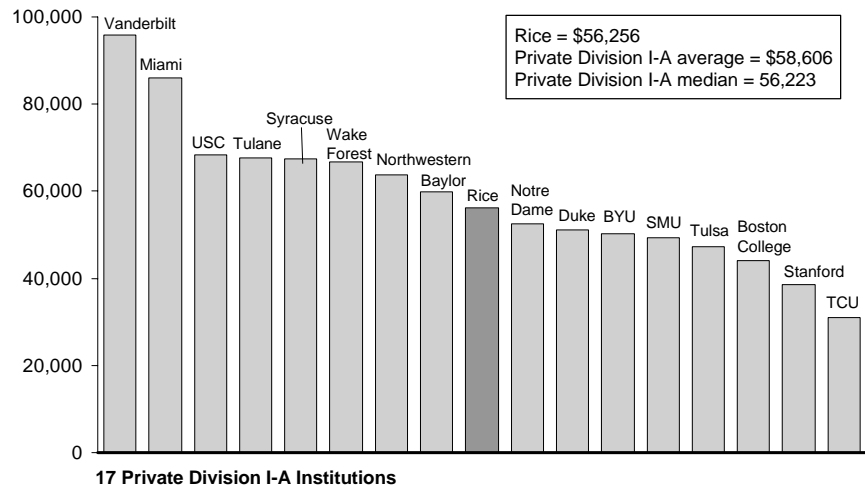
Athletic expenses per athlete  
\$ per athlete



\* U.S. Naval Academy and Rutgers University did not report data  
Source: EADA 2001-02

**RICE SPENDS SLIGHTLY MORE THAN AVERAGE ON ATHLETICS ON A PER ATHLETE BASIS COMPARED TO OTHER DIVISION I-A INSTITUTIONS**

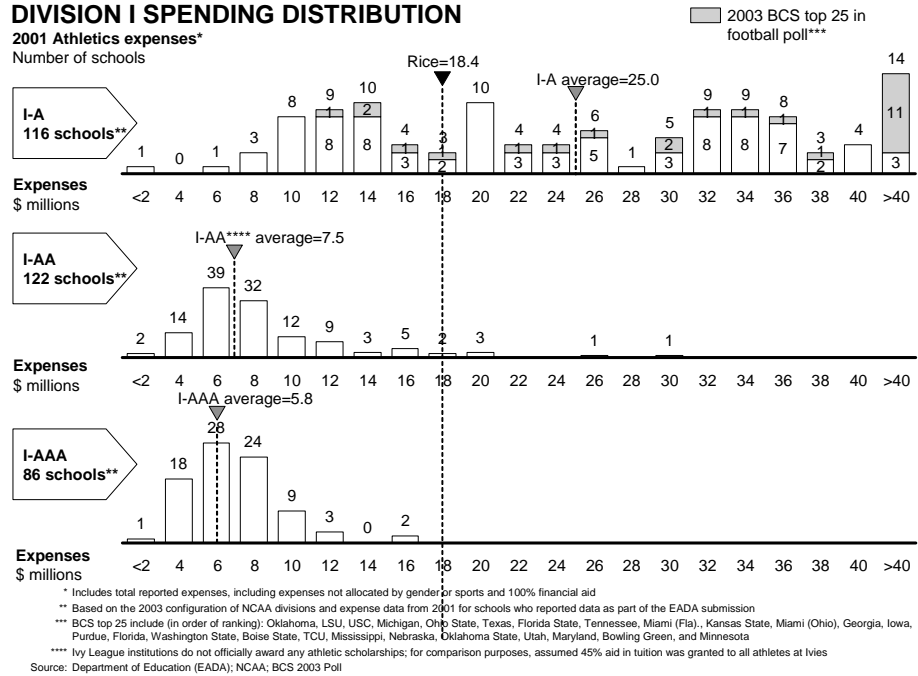
Athletic expenses per athlete  
\$ per athlete



Source: EADA 2001-02

Given that the predominance of NCAA schools run a deficit, it seems unrealistic that Rice athletics ever will, or should be, self-funding. In fact, Rice may already be under-spending if it aspires to remain competitive. At the end of the 2003 football season, for example, only five schools in the top 25 BCS standings spent

less on athletics than Rice.<sup>48</sup> The remaining 20 teams all spent more than Rice does, and, of those, 11 schools spent more than \$40 million annually (more than double Rice's expenditures.)



Interestingly, this connection between winning and investment is largely related to football, and it only impacts Division I-A. For Division I-AA (less competitive football) and Division I-AAA (no football) the athletic budgets tend to be both less related to competitive outcomes and much less variable from team-to-team. The value of Coaching, training, travel and other costs are all amplified when a top-tier football team of 85 highly specialized scholarship athletes must be supported.<sup>49</sup>

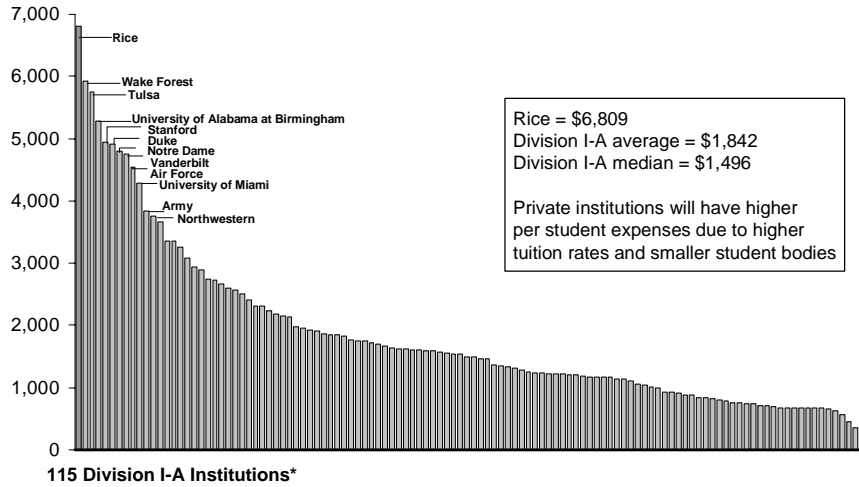
Ultimately, on a per student basis (how much of the cost of educating a Rice undergraduate goes into paying for intercollegiate athletics) Rice's expenses are significant.

48 The five schools spending less than Rice were Bowling Green State University, Texas Christian University, Boise State University, Miami University, and the University of Utah.

49 The estimates for I-AA above also include an adjustment for a portion of the scholarship costs for Ivy League schools to make them parallel to the balance of I-AA institutions that offer true athletic aid (Ivy League schools do not offer athletic scholarships). While there is some debate about the nature of athletic aid in the Ivy League, the adjustment is necessary given the mix of models in I-AA.

## DIVISION I-A SPENDING ON ATHLETICS PER UNDERGRADUATE STUDENT

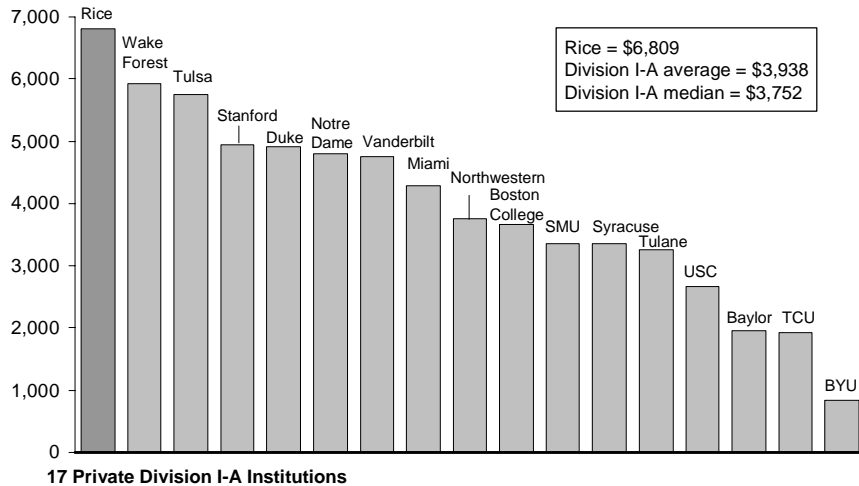
Ratio of athletics expenses to all students (including financial aid)  
\$ per undergraduate student



\* U.S. Naval Academy and Rutgers University did not report data  
Source: EADA 2001-02

## PRIVATE DIVISION I-A INSTITUTIONS' SPENDING ON ATHLETICS PER UNDERGRADUATE STUDENT

Ratio of athletics expenses to all students (including financial aid)  
\$ per undergraduate student



Source: EADA 2001-02

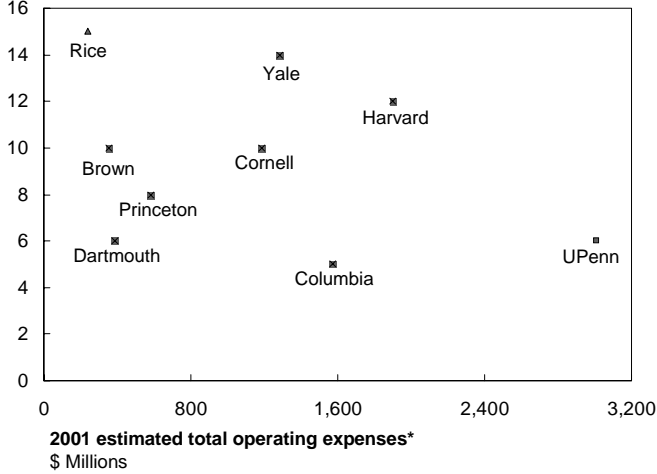
The same picture bears out when Rice is compared to schools with very different scholarship models. For example, even without the value of grants in aid (since they don't technically offer athletic scholarships) Rice spends considerably more than any of the Ivy League schools. This is despite the fact that Ivy League

schools have considerably larger programs (more than double the size of Rice's<sup>50</sup> in many cases).

### ATHLETIC EXPENSES AS COMPARED TO TOTAL OPERATING EXPENSES AMONG PEER INSTITUTIONS

Ivy League Institutions and Rice

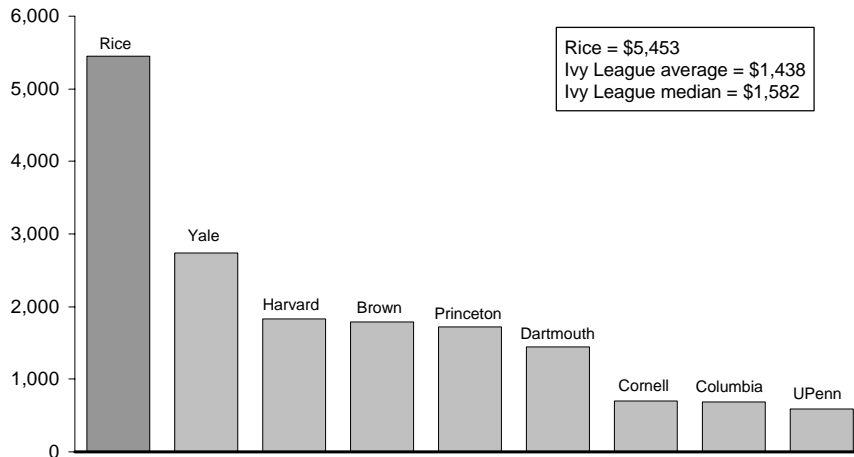
2001 Athletics expenses, including institutional support, excluding financial aid  
\$ Millions



\* Based on 2000 Department of Education submission, excludes hospital and independent operations  
Source: Department of Education (IPEDS 2000 Financial Data and EADA 2002 data)

### AVERAGE SPENDING ON ATHLETICS PER UNDERGRADUATE STUDENT AS COMPARED TO IVY LEAGUE INSTITUTIONS

Ratio of athletics expenses to all students (excluding financial aid)\*  
\$ per undergraduate student

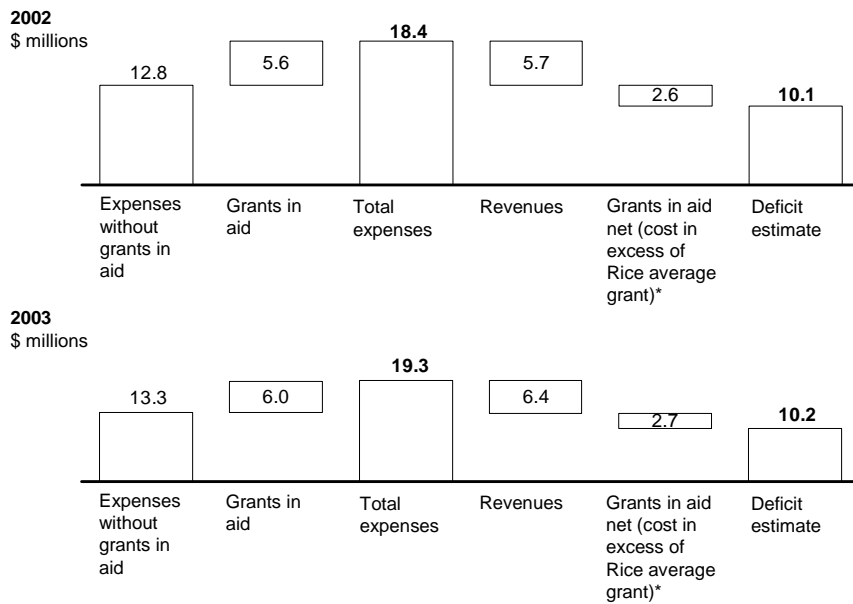


\* Excludes grants-in-aid since Ivy League institutions do not award athletic grants-in-aid  
Source: EADA 2001-02

50 In terms of participants.

While every sport at Rice runs a deficit, the contribution to the overall deficit from Rice's football program is much larger than any other team. Despite the fact that it is the only sport that generates any significant revenue, currently around \$2 million annually, football was responsible for nearly \$4 million of the \$10 million plus athletics deficit in 2002.<sup>51</sup> Rice actively schedules games with powerhouse non-conference opponents partly as a means to try to close some of this gap with guaranteed broadcast and ticket revenues. Recently this has included away games at the University of Michigan, University of Nebraska, University of Oklahoma, and Michigan State University, which were all lost by an average margin of 30 points.<sup>52</sup>

### ATHLETICS DEFICIT



\* 45% of total to account for "replacement cost" of average Rice student, which should not be counted as athletic expense  
Source: Rice University ; NCAA audits

At a number of schools, it may be possible to justify football on economic terms, for football serves to support (through revenue generation) the other varsity sports. This is the case at schools such as the University of Oklahoma, the University of Texas, and Louisiana State, but it is unlikely to ever be the case at Rice. Barring a major structural change, it is implausible that Rice will ever have a true "revenue sport" that supports the rest of the Athletics Department.

51 Grants-in-aid, net of average Rice financial aid

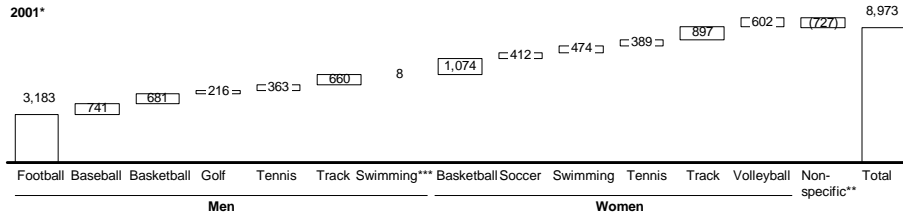
52 Rice Football 2003 Media Guide.

## ATHLETICS DEFICIT BY SPORT

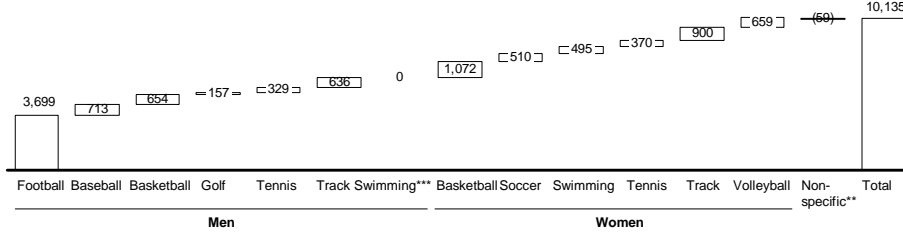
\$ Thousands

Expenses in excess of revenues

2001\*



2002\*



\* Includes Grants-in-Aid net of average Rice financial aid

\*\* Includes general grants to the University and overall salaries and benefits (e.g., Athletic Director)

\*\*\* As of 1999, no longer a Rice sport for men

Source: Rice University Budget office; NCAA audits

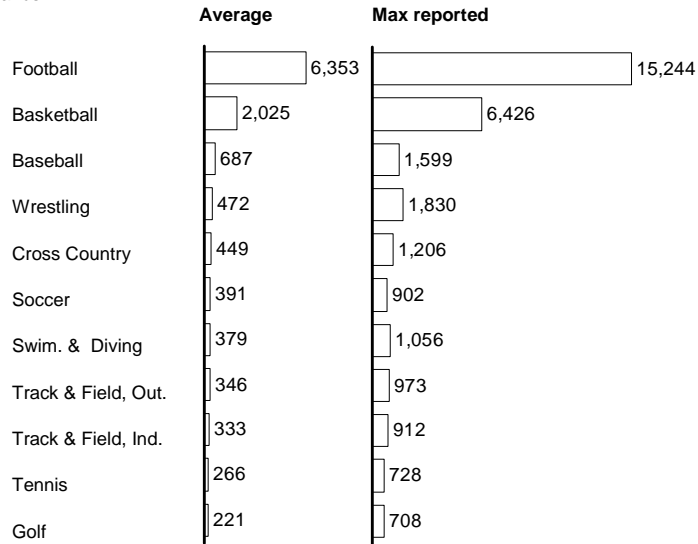
Football's prominence in intercollegiate athletic costs is not unique to Rice. The dramatic difference between football and other sports is common to nearly every Division I-A school.<sup>53</sup> While basketball and, to a lesser degree, baseball are also significant investments, a football team, on average, costs in excess of three times more to support annually than a basketball team does and more than nine times as much as the average expense of a baseball team.

53 There are a few schools where, because basketball becomes the "lead" program, the economic differences between football and basketball are less significant.

## FOOTBALL AND BASKETBALL DWARF OTHER SPORT FINANCES

2001, schools in Division I-A, men's sports\*

\$ Thousands

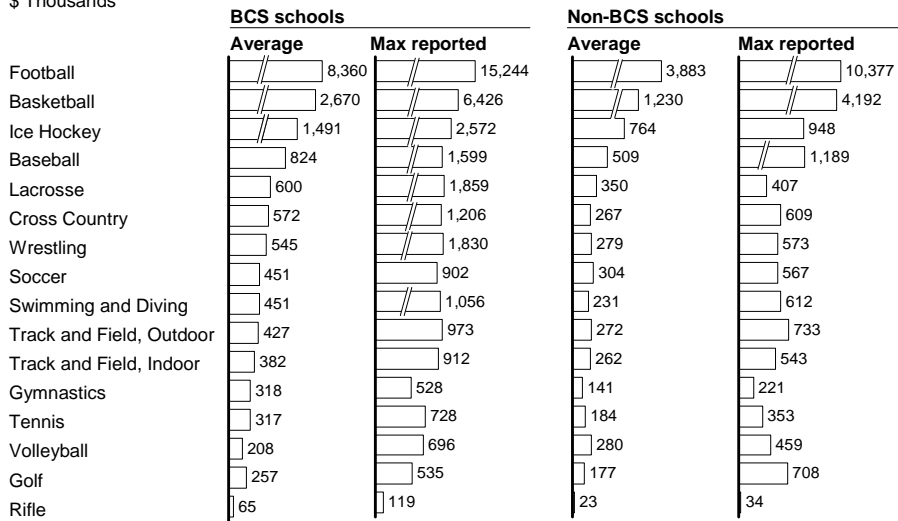


\* Excludes sports with <20 teams in Division I-A  
 Note: Includes 100 percent of grants-in-aid  
 Source: Department of Education EADA 2001-2002 database; NCAA

The spending profiles for the schools not in BCS conferences (and as a result, typically more budget constrained) are quite different from those of BCS schools. Average expenditures for non-BCS football teams are less than half the average at BCS institutions (\$3.8 million versus \$8.3 million). Interestingly, the increased revenue generated as a result of membership in a BCS conference also appears to “trickle down” into costs as nearly every men’s sports team for BCS members incurs higher expenses than teams (in the same sport) at non-BCS schools.

**FOOTBALL AND BASKETBALL DWARF OTHER SPORTS' FINANCES  
2001, SCHOOLS IN DIVISION I-A, MEN'S SPORTS\***

Total expenses  
\$ Thousands



\* Excludes sports with less than 10 teams in Division I-A  
Source: Department of Education EADA 2001-2002 database; NCAA

**RICE ATHLETICS AS AN ASSET TO THE UNIVERSITY**

Discussions that try to substantiate the value of athletics at Rice are rife with intense emotions – as are debates about the subjectivity of most measures of the value of athletics. Still, there is no doubt that Rice athletics do add valuable elements to the University. Athletic competitions serve as focal points to which diverse constituencies of the University, who might otherwise never share a common experience, can relate. Athletic competitions provide, particularly when teams are successful, some measure of pride and national exposure, though the true value of this exposure may be overestimated. Athletics also helps achieve the diversity goals of the school – athletes often bring a completely different set of social, ethnic, economic, and experiential backgrounds to the University. Finally, NCAA athletics provide a phenomenal training ground for participants, with valuable instruction in teamwork, leadership, discipline, and goal setting. At the same time, several benefits often ascribed to athletics may be somewhat exaggerated. There appears to be no clear link, for example, between donations to a university’s general fund and athletic success. Also, while athletic success may increase the number of applicants to Rice, there is little indication that this “Flutie Factor” actually translates into better quality students over the long term.

It is important to note that the perceived value of athletics to one school can be dramatically different from the perceived value to another. At one state university, athletics provides a vehicle to attract applicants: a way to “fill beds” in university

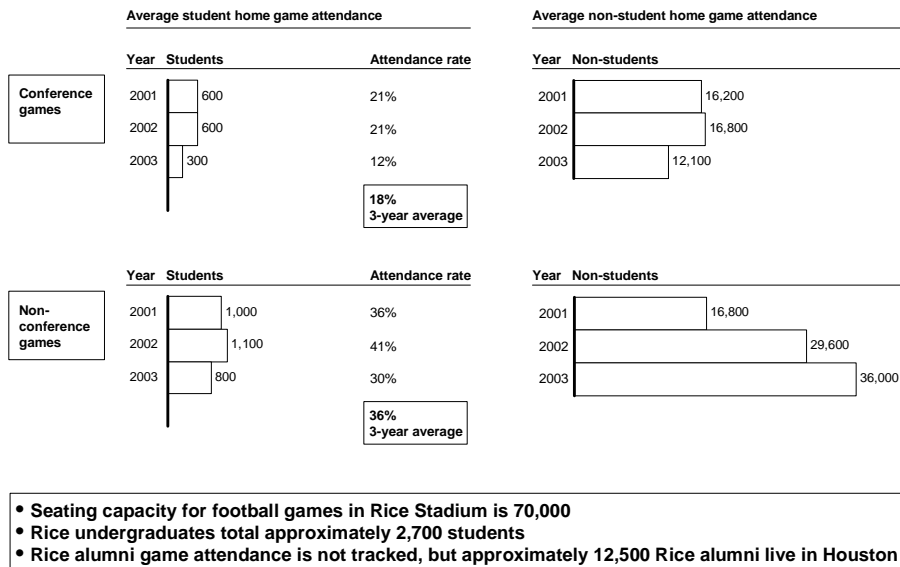


dormitories. At a private institution, very similar to Rice in size, selectivity, and focus, athletics creates a single unifying force around which all constituents rally. At a Division III university, intercollegiate athletics is simply another activity, no more or less important than the student orchestra, drama club, or student government. For some schools, athletics may be the primary decision factor for the undergraduate applicant. For other schools, it may be altogether irrelevant.

## Attendance

Attendance is an area where Rice athletics faces challenges because of the small undergraduate population and the wide selection of professional sports available in Houston. Rice is one of the few schools that could not fill its football stadium (70,000 seats) even if all undergraduate alumni, living or dead, attended a football game. Even current students attend football games infrequently, and the only games that are reasonably well subscribed are the University of Texas and the University of Houston games, when they are played at home. Not surprisingly, these home games are also usually filled with far more fans of the opposing team than they are with Rice supporters.

### HOME FOOTBALL GAME ATTENDANCE IMPLIES THAT RICE ATHLETICS ARE NOT A BIG DRAW FOR STUDENTS



Source: Rice University Athletic Department; Rice University website; McKinsey analysis

In the past three years, student attendance at WAC home football games has averaged about 18 percent of undergraduates, less than 500 students. This assumes that no graduate students attend the games, since graduate and

undergraduate students are not tracked separately.<sup>54</sup> Still, the move to the C-USA will renew some old rivalries (SMU and Houston) from the SWC, and this, combined with a more competitive team, would no doubt have a positive impact on football attendance. Even for the well-attended games, however, the Rice athletics program must make a concerted effort just to fill a reasonable number of seats, seeking corporate sponsorship of ticket blocks and applying aggressive marketing to generate interest in the games. While the record of the football team is clearly a factor in poor attendance, it is not clear that even a complete turnaround on the playing field would yield dramatic changes in attendance. TCU in 2003, with one of its best teams in years,<sup>55</sup> still never sold out the 46,000-seat Amon G. Carter stadium, and student attendance rarely rose above 50 percent.<sup>56</sup>

Other Rice sports are even less well attended by students. For example, during a year when Rice produced the national championship baseball team, on average for the season, less than six percent of students attended Rice baseball games. The facts that games are played on weeknights and after the end of Rice's academic year likely contribute to low average game attendance.

### **National exposure**

Another benefit to Rice from athletics is the national exposure it receives through television appearances and sports media coverage. At many schools with Division I-A sports programs, 80 to 90 percent of the mentions in the media may be sports related and sports coverage is likely to be 100 percent of the annual television exposure. While this sort of recognition has value, anecdotes about the true value of such exposure (sometimes said to be hundreds of millions of dollars) are likely overstated. There are several reasons for this bias towards over-estimation:

- a. Many estimates may include 100% of television exposure -- the length of a televised game; an advertiser paying for the same amount of time/space would completely control the message and content of the advertisement. A sporting event is, at best, a long event with a short message, and that message rarely says much about the broad university.
- b. Other estimates may be event biased. They value only positive events, and neglect the possibility that some athletic exposure may actually do harm to the school's reputation. Certainly there is value in winning the college world series on national television. It is more difficult, however, to see the value in televising a 48-7 loss to Texas.

<sup>54</sup> Graduate students in attendance would make the percentage lower than 18 percent.

<sup>55</sup> TCU, at one point was one of only two undefeated teams in the nation and ranked in the top 15.

<sup>56</sup> *The Daily Skiff*, TCU student newspaper, TCU official athletics website.

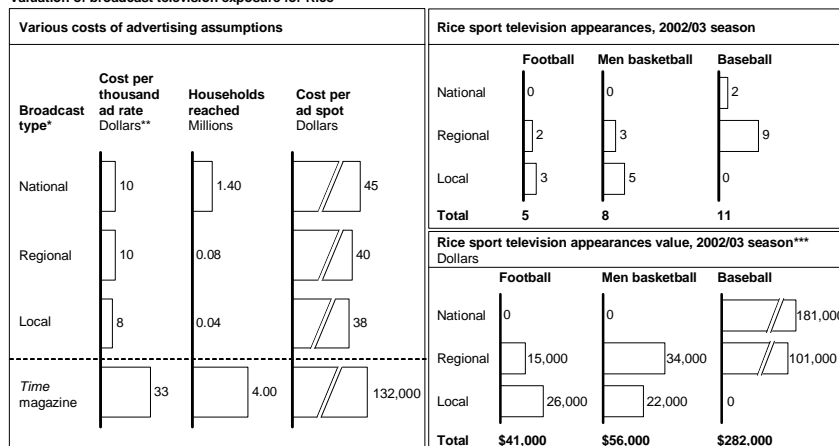
- c. Finally, college sports publicity is mixed with any number of other messages. Merely being associated with Division I-A football means that, despite a terrific history, Rice carries some of the negative baggage of its conference and NCAA affiliations whenever there is a scandal or negative story on collegiate athletics.

Although numbers in the hundreds of millions are frequently batted around, a quick comparison to television advertising rates gives some idea of the appropriate order of magnitude. This comparison doesn't pinpoint a specific number, and it neglects the full range of potential sources of value from print and news coverage, but it does indicate that the value is likely far less than often stated.

### NATIONAL TELEVISION EXPOSURE

ESTIMATES

Valuation of broadcast television exposure for Rice



- Value of television exposure from the major men's sports estimated at about \$380,000
- Value of television exposure has been consistent over the past 5 seasons with the exception of baseball
  - Regionally televised baseball games increased in 2002/03 to 9 games vs. the average of 2 games for the prior 4 seasons
  - Increase accounts for about \$80,000 of value
- Does not include value of print media, news programs, or talk-radio exposure

\* National equates to ESPN-level coverage, regional to Fox Sports Network-level coverage, and local to over-the-air small station-level coverage  
 \*\* Estimates of actual advertising rates paid based on Morgan Stanley research; Time magazine estimate assumes 40% discount off published ad rates  
 \*\*\* Assumes 15 minutes of game coverage equates to one 30 second ad spot; assumes football, men's basketball, and baseball coverage per game of 4 hours, 3.5 hours, and 3.5 hours, respectively  
 Source: Rice University; Morgan Stanley; Time; Fox Sports Network; McKinsey analysis

### The “Flutie Factor”

One often-discussed source of value attributed to intercollegiate athletics is the “Flutie Factor,” or the impact of athletic success on subsequent application volume. Following an exceptional 1984 football season led by quarterback Doug Flutie and centered on a last-minute victory over the University of Miami, Boston College experienced a 30 percent increase in applications. Other schools have experienced similar “bumps” following athletic success, including Northwestern University, Tulane University, North Carolina State University, and the University of South Carolina. In each case, the number of applications directly attributed to the athletic performance is impossible to estimate, but there does appear to be a connection. What is less clear is whether these increased applications translate

into either higher quality applicants or better matriculation rates. Most evidence at the schools mentioned suggests that they do not. Discussions with administrators and faculty suggest that the athletic success only impacts the selectivity rate through an increase in the number of applications (the denominator) with little or no corresponding increase in the quality of the admits (the numerator).<sup>57</sup>

The effect also appears to be limited to schools considered “underdogs.” At schools where there are long traditions of high-performing teams, there is usually little or no change created by success. Duke winning a national basketball championship does not have a huge impact on applications to Duke in later years. Also, estimates vary for how long the “aura” of success lasts, but Boston College believes that the impact on their national audience for applicants is still felt today.

Finally, at Rice in particular, Division I-A athletics seem to bear little on the decision of most students to attend. A recent student survey indicates that more than half of Rice students felt that I-A athletics had little to do with their decision to come to Rice.<sup>58</sup> Interestingly, though, most students agree or agree strongly that Rice should not eliminate athletics altogether (79%) or make a drastic change such as moving to Division III (59%).<sup>59</sup>

## **Diversity**

Another source of value ascribed to intercollegiate athletics is improved diversity of the student body. Diversity at Rice, in the broadest sense, is impacted by the presence of athletes. Athletes enter the University with unique capabilities that have been finely honed, and their participation in sport is a testament to achieving excellence. These individuals also bring to the campus personal commitments and/or professional aspirations that many other students do not possess. Faculty have commented that this creates a potentially healthy tension among students should they have the time, inclination and opportunity to learn from one another. There is also some belief that Division I-A athletics makes Rice more “mainstream”, which helps it to attract a more diverse set of undergraduates, whether they compete in varsity athletics or not. This is borne out in the same student survey mentioned above. Better than half (53%) of students indicated that athletes contribute to diversity in the same way that U Court, theater, the MOB and other activity participants contribute.

While these broad considerations of diversity are critically important, it is also important to consider the ethnic composition of Rice athletes. While the percent

57 Measures, such as percent admitted will improve, but others (e.g. SAT or H.S. GPA, will likely not)

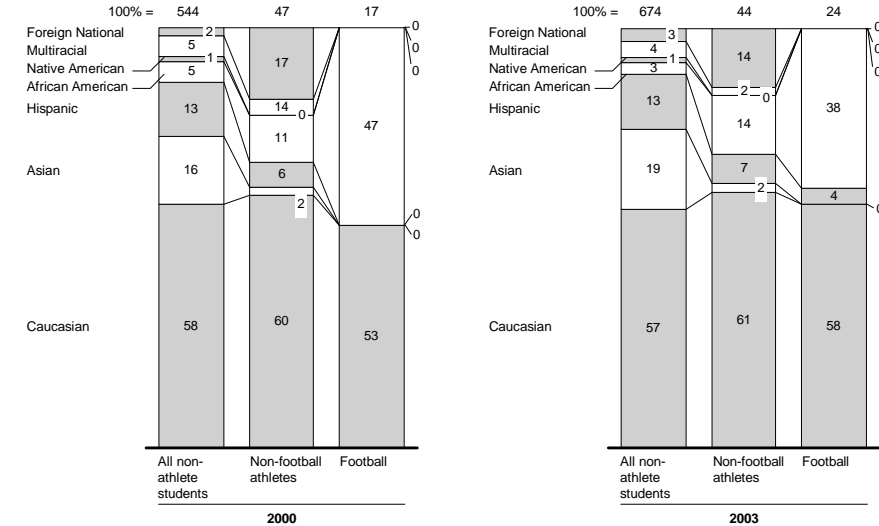
58 55% of a sample of 667 students either strongly disagreed (42%) or disagreed (13%) with the statement “Rice’s participation in Division I-A athletics was important in my decision to attend Rice”

59 March 15, 2004 Student Survey conducted by Rice University Student Association.

of students who are Caucasian is nearly the same among athletes and non-athletes, this is not true for other ethnic groups. In particular, Asians are far more prevalent in the broad student body than they are among athletes. African Americans are just the reverse, making up a higher percentage of athletes than they do of non-athletes.

### ETHNICITY OF THE RICE STUDENT BODY AS COMPARED TO RICE ATHLETES

Percent of students in entering class\*



\* Does not include students marked as unreported, other, unknown, or unclassified; Total students in this category for 1999, 2000, 2001, 2002, and 2003 were 30, 87, 72, 38, and 38, respectively  
Source: Rice University enrollment data

More than half of Rice African American males are on some sort of athletic scholarship.<sup>60</sup> The absence of these athletes could make maintaining an ethnically diverse campus more challenging, but opportunities exist for Rice to continue to admit ethnically diverse classes without having to rely on athlete admits. Rice’s leadership is committed to a diverse (ethnically and otherwise) undergraduate population and, based on admissions data, there appear to be applicants who are at least as academically qualified as the admitted athletes of the same ethnicity.

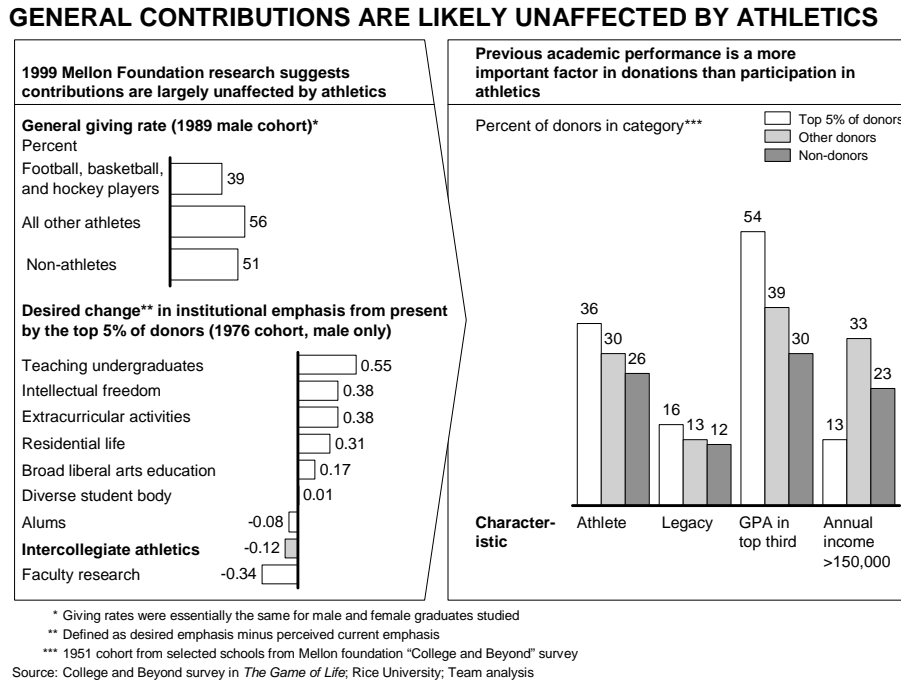
In any case, a broader mechanism for meeting ethnic diversity goals is likely a more philosophically ideal path. William Bowen has decried as “scandalous” the suggestion that diversity is promoted by athletics.<sup>61</sup> Emphasis on sport as a means to balance the racial mix of incoming classes reinforces what is believed by many to be a dangerous message to minority youths—that athletics is the only path to success and that they cannot compete academically.

60 54 percent in the 2003-2004 school year.

61 William Bowen, President of the Andrew Mellon Foundation, National Symposium on Athletics Reform, Tulane University, New Orleans, LA., 11 November 2003.

## Donations

Success in athletics is often linked with contributions to the Rice University as well as with the ability to maintain a strong network of alumni. At Rice, however, the vast majority of large donors give almost exclusively to the University, and very little is restricted to the athletics programs. In fact, even if every one of the top 200 donors at Rice who gives more than 5 percent of their gifts to athletics stopped donating entirely, the donations to the general University funds would decrease by less than 10 percent.<sup>62</sup> Disenfranchising those same donors would have a much larger impact on designated athletic department gifts, but the state and quality of intercollegiate sports seem to have little bearing on the vast majority of contributions to the University at large. Additionally, several nationally focused studies, most notably William Bowen's work in *The Game of Life*, indicate that donations, if anything, are negatively impacted by "big time" athletics, and that large donors are more likely to be top-performing former non-athletes than they are athletes.<sup>63</sup> The data below illustrates some of the conclusions of Bowen's work which includes, but is not limited to, data from Rice University.



At Rice, former varsity athletes do make up a significant number of the top donors. Their dollar contribution, however, while significant, is in line with what might be expected, given the percentage of the undergraduate population that they have historically represented.

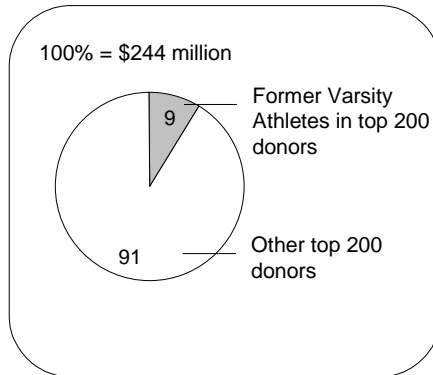
62 Rice contribution data for top 200 donors.

63 College and Beyond, database of universities in *The Game of Life*, Andrew Mellon Foundation, 2001.

## CONTRIBUTIONS TO RICE

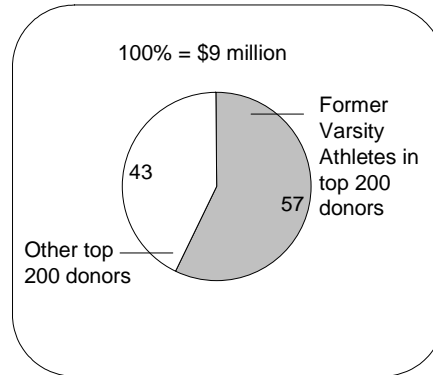
Giving patterns for top 200 (overall) donors to Rice, last 10 years\*

**Donations by top 200 to general university**



3 former athletes donated a total \$4 million to the university, with \$0 to athletics

**Donations by top 200 to athletics programs**



Only one of the top 200 donated solely to athletics (<\$150,000)

\* Based on household (versus individual) contributions  
Source: Rice University Giving Data

## Other intangibles

There are, of course, a number of other intangible assets that generate value or potential value for Rice, through participation in intercollegiate sports. Discussions with various stakeholders reveal a fairly universal belief that intercollegiate athletics teach valuable life lessons to students who compete. Many of these same constituents agree, though, that this benefit is at least equal among participants in Division I-A “big time” sports and Division III non-scholarship sports. Intercollegiate athletics also allow participants to achieve a type of excellence, just as other students achieve excellence in the classroom, lab, or studio. Finally, some constituents feel a certain amount of pride through watching others perform at the highest levels of athletic excellence in sports, and they connect that top performance with a positive view of Rice.

Still, Rice culture and reputation are heavily defined by academic excellence; Rice students have a reputation for being academically driven, to the point of neglecting other aspects of their life in some cases, and athletes more typically have broader and/or different interests. While varying by college and by sport within each college, interviews suggest some lack of college social interaction and some degree of isolation between athletes and the University as a whole. This situation is amplified by the significant time that intercollegiate athletes spend on their athletic endeavors and by the schedules/seasons that can make living on-campus difficult. Interestingly, while getting Rice students to attend sporting events is currently very challenging, when athletes are more actively involved in their

colleges, anecdotal evidence suggests that their college-mates attend more games (e.g. this year’s men’s basketball games). Also, some constituent interviews suggest Rice may not attract some of the most academically and athletically talented athletes because they seek a campus where athletics is a more integral and valued part of the institution than it is at Rice (i.e., the administration, faculty, and students all broadly support athletics.)

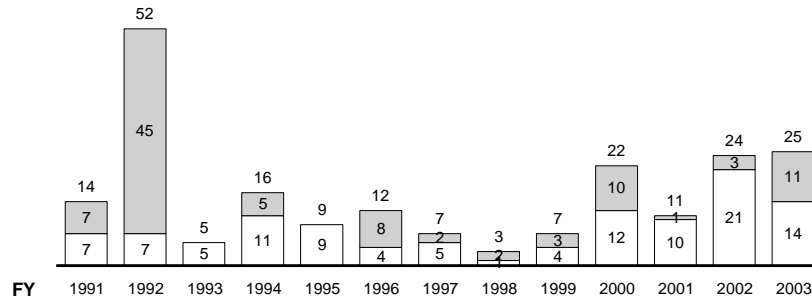
## ATHLETES AS STEWARDS OF RICE

Rice athletes are often spoken of as a single body rather than as individuals: they “get into trouble more often” and “don’t play by the same rules as everyone else.” The issues, however, are more complex than a broad brush might at first paint. Anecdotes suggesting that Rice athletes are more prone to behavioral problems and more likely to be involved in Honor Code violations neglect a number of important considerations. First, athletes as a group are highly visible on campus versus their non-athlete counterparts – incidents involving athletes are more likely to reflect on the entire group rather than on individuals. Second, the sheer number of honor code violations is extremely small, making drawing any conclusions challenging. Finally, many Rice constituents believe that many violations go unreported and are often handled outside of the formal process. It is likely that some bias exists in which cases are reported.

### HONOR CODE VIOLATIONS

■ Athletes\*  
□ Non-athletes

Frequency of Honor Code violations for undergraduates  
Number of students



#### Issues

- Difficult to separate other statistical characteristics of students
- Small sample size – Rice has very few reported violations
- Close-knit nature of athletic team may lead to single incidents with multiple violations
- Some incidents of both athletes and non-athletes may not be reported to the Honor Council but rather handled solely by professors or administrators – high chance of underreporting

\* Includes scholarship and walk-on athletes  
Source: Rice University enrollment data



The level of participation of athletes in Rice University and college life is also frequently mentioned as a concern of some faculty. While it is true that many athletes do not fully participate in all that Rice and its colleges have to offer, participation in top-tier athletic competition requires a year-round commitment that leaves time for little else. Training, travel, and preparation sometimes involve more than 40 hours<sup>64</sup> per week. Additionally, college life presents significant challenges to an athlete. Behaviors that may be acceptable for college residents (e.g., alcohol consumption, late nights, noisy gatherings) are problematic for athletes. It is, then, unsurprising that many athletes, like many non-athletes, are not considered active in their colleges or in the University community. Interestingly, and to their credit, some athletes *are* very active in their colleges or in the broader community, despite the enormous time commitment of athletics.<sup>65</sup> In fact, more concerning than any direct lack of an athlete's participation in college life is the fact that the nature of an athletic grant-in-aid creates artificial pressure to continue competing. If an athlete chooses to quit playing a sport to focus on academics or some other interest within the context of the University, the student loses his or her scholarship.

Exit interviews with Rice athletes indicate that, although they generally are positive about their experience at Rice, athletes do have concerns about their ability to have a "normal" collegiate life.<sup>66</sup>

1. Athletes believe they receive an outstanding education and that having the opportunity to participate in the highest level of athletic competition enhances their education.
2. Athletes think that the flexibility and focus of coaching staff are highly positive; in particular, they mentioned that coaches changed or adapted practice schedules to allow students to attend classes (particularly afternoon classes).
3. Most athletes feel they had a limited social life due to the time constraints of athletic participation.
4. Most athletes interviewed lived off-campus; the primary reason given for this is differences in the athletes' and non-athletes' schedules.
5. Most athletes regret not being able to participate more in college life.

64 NCAA rules limit formal time to 20 hours, but there are many activities, including individual workouts, recuperation, etc. that consume more time and are allowed as long as coaching staff is not present.

65 Based on interviews with multiple Rice residential college masters, coaches, and faculty.

66 Paraphrased from a Rice University Athletic Committee (RUAC) exit interview summary of graduating athletes, 22 April 2003. 11 of 42 graduating athletes, representing nine sports, volunteered for the interviews.

6. Athletes often have difficulty scheduling courses due to their athletic participation, including schedule conflicts among class times, practice times, and limited selection of sections with preferred professors.
7. Interaction with faculty members is generally positive. Most athletes felt that very few professors had negative attitudes toward them because they were athletes.

## **RICE PEER INSTITUTIONS**

Rice defines peer groups on a number of different dimensions, and these dimensions go beyond nationally recognized assessments such as those found in the annual *U.S. News and World Report* rankings. For Rice, quality of undergraduate academics, quality of research and graduate programs, and quality of athletics are three essential lenses through which to view Rice's position in the academic "universe." Specifically, Rice aligns itself with a set of academic peers as a member of the Consortium on Financing Higher Education (COFHE), a set of research peers in the American Association of Universities (AAU), and a set of athletic peers as a member of NCAA Division I-A. If these groups are examined, leaving out non-coeducational and public institutions, a reasonable set of academic, research, and athletic peers can be defined. Examining this set more closely reveals that Rice's participation in Division I-A competition is, in many ways, a statistical outlier.

## WHAT IS THE RIGHT RICE PEER GROUP?

26 undergraduate education peers

### Co-educational members of the COFHE

- Amherst College
- Brown University
- Carleton College
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Georgetown University
- Harvard University
- Johns Hopkins University
- Massachusetts Institute of Technology
- Northwestern University
- Oberlin College
- Pomona College
- Princeton University
- Rice University
- Stanford University
- Swarthmore College
- Trinity College
- University of Chicago
- University of Pennsylvania
- University of Rochester
- Washington University
- Wesleyan University
- Williams College
- Yale University

\* US only  
Source: COFHE; AAU; NCAA

10 additional research peers

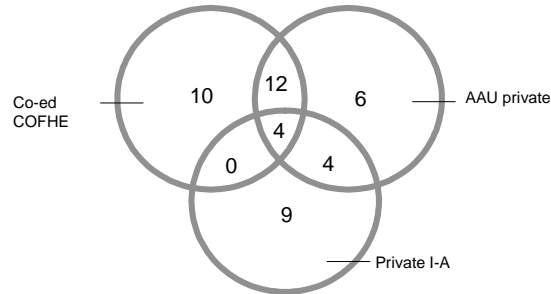
### Additional private AAU schools\*

- Brandeis University
- California Institute of Technology
- Carnegie Mellon University
- Case Western Reserve University
- Emory University
- New York University
- Syracuse University
- Tulane University of Louisiana
- University of Southern California
- Vanderbilt University

9 additional athletic "peers"

### Remaining private Division I-A schools

- Baylor University
- Boston College
- Brigham Young University
- Southern Methodist University
- Texas Christian University
- University of Miami
- University of Notre Dame
- University of Tulsa
- Wake Forest University



Within the COFHE, athletic budgets of Division I-A schools look dramatically different from the budgets of other schools in the Consortium. Among the I-A COFHE schools, Rice's budget is an outlier on two dimensions: it is significantly smaller *and* it makes up a significantly larger portion of total operating expenses. It is worth noting that the vast majority of schools in the COFHE do not offer athletic scholarships either because of their membership in a non-scholarship conference of Division I-AA (the Ivy League) or their membership in Division III. Also interesting is the fact that Rice is the only I-A COFHE member that is not a member of a BCS conference: Duke in the ACC, Stanford in the Pac-10, and Northwestern in the Big Ten all enjoy a significant financial advantage over Rice because of predictable future BCS-related revenues.

**COFHE PEER GROUP**  
Co-educational members of the COFHE, 2001

In all 3 peer groups

Division	Estimated total operating expenses* \$ Millions	Gross athletics expenses \$ Millions	Total athletics expense Percent of operating	Total number of teams		Sponsors football	
				Men	Women		
<b>Division I-A</b>							
Duke University	1,259	32.1	2.55	13	13	26	✓
Stanford University	1,730	32.8	1.90	15	16	31	✓
Northwestern University	820	28.8	3.52	8	11	19	✓
Rice University	240	18.4	7.66	8	8	16	✓
<b>Division I-AA</b>							
University of Pennsylvania	2,512	7.4	0.51	13	16	29	✓
Cornell University	1,189	9.6	0.81	13	17	30	✓
Harvard University	1,902	12.3	0.64	17	18	35	✓
Columbia University	1,573	7.9	0.50	12	15	27	✓
Yale University	1,261	14.4	1.15	13	17	30	✓
Princeton University	549	7.9	1.45	16	17	33	✓
Georgetown University	545	14.3	2.62	11	12	23	✓
Dartmouth College	384	6.4	1.66	13	17	30	✓
Brown University	353	10.2	2.88	15	20	35	✓
<b>Division III</b>							
Johns Hopkins University	1,393	4.3	0.31	13	12	25	✓
University of Chicago	852	1.6	0.19	10	9	19	✓
University of Rochester	480	2.2	0.46	10	11	21	✓
Massachusetts Institute of Technology	1,290	1.8	0.14	18	16	34	✓
Washington University	1,024	1.6	0.16	9	9	18	✓
Wesleyan University	124	2.2	1.79	13	14	27	✓
Oberlin College	123	1.0	0.85	11	12	23	✓
Williams College	100	2.4	2.43	14	15	29	✓
Trinity College	94	2.3	2.48	13	14	27	✓
Swarthmore College	80	2.1	2.59	10	12	22	☐
Amherst College	73	1.8	2.41	12	14	26	✓
Carleton College	71	1.1	1.56	10	11	21	✓
Pomona College	68	1.5	2.14	10	9	19	✓

\* Based on 2000 IPEDS (most recent) submission to the Department of Education, excludes hospital and independent operations  
Source: 2001-2002 Expense Data from the *Chronicle of Higher Education*; 1999-2000 Department of Education/NCES; NCAA

The AAU peer group has similar characteristics to the COFHE, although there are some schools (Tulane and Syracuse) with profiles closer to Rice's. While the AAU also includes several additional universities with both strong research credentials and Division I-A sports programs, the majority of private AAU members run athletics programs that do not provide grants-in-aid.

**AAU PEER GROUP**  
Private, U.S. members of the AAU, 2001

In all 3 peer groups

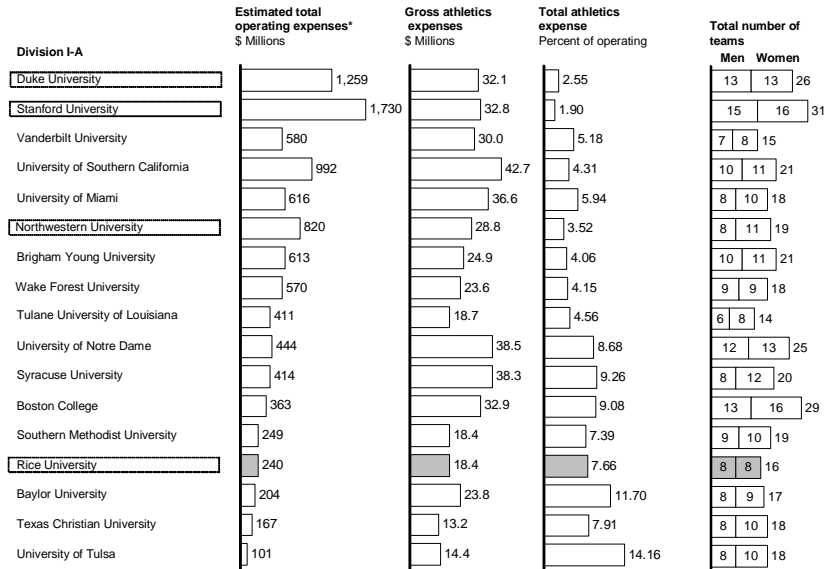
Division	Estimated total operating expenses* \$ Millions	Gross athletics expenses \$ Millions	Total athletics expense Percent of operating	Total number of teams		Sponsors football	
				Men	Women		
<b>Division I-A</b>							
Duke University	1,259	32.1	2.55	13	13	26	✓
Stanford University	1,730	32.8	1.90	15	16	31	✓
Vanderbilt University	580	30.0	5.18	7	8	15	✓
University of Southern California	992	42.7	4.31	10	11	21	✓
Northwestern University	820	28.8	3.52	8	11	19	✓
Tulane University of Louisiana	411	18.7	4.56	6	8	14	✓
Syracuse University	414	38.3	9.26	8	12	20	✓
Rice University	240	18.4	7.66	8	8	16	✓
<b>Division I-AA</b>							
University of Pennsylvania	2,512	7.4	0.51	13	16	29	✓
Cornell University	1,189	9.6	0.81	13	17	30	✓
Harvard University	1,902	12.3	0.64	17	18	35	✓
Columbia University	1,573	7.9	0.50	12	15	27	✓
Yale University	1,261	14.4	1.15	13	17	30	✓
Princeton University	549	7.9	1.45	16	17	33	✓
Brown University	353	10.2	2.88	15	20	35	✓
<b>Division III</b>							
Johns Hopkins University	1,393	4.3	0.31	13	12	25	✓
California Institute of Technology	428	0.8	0.19	10	8	18	☐
Emory University	725	1.8	0.25	9	9	18	☐
New York University	1,390	2.3	0.17	11	9	20	☐
University of Chicago	852	1.6	0.19	10	9	19	✓
University of Rochester	480	2.2	0.46	10	11	21	✓
Massachusetts Institute of Technology	1,290	1.8	0.14	18	16	34	✓
Washington University	1,024	1.6	0.16	9	9	18	✓
Carnegie Mellon University	465	2.3	0.49	9	8	17	✓
Case Western Reserve University	448	1.7	0.39	12	10	22	✓
Brandeis University	165	0.3	0.19	10	10	20	☐

\* Based on 2000 IPEDS (most recent) submission to the Department of Education, excludes hospital and independent operations  
Source: 2001-2002 Expense Data from the *Chronicle of Higher Education*; 1999-2000 Department of Education/NCES; NCAA

Among the remaining private, Division I-A schools there are several schools, including several of Rice's former SWC peers, with very similar profiles. Many of these programs, even some within BCS conferences, face similar challenges remaining competitive and supporting their programs financially. In particular, Baylor's issues and challenges may serve as a warning sign to those who feel membership in a BCS conference would heal all Rice's ills.

**I-A PRIVATE SCHOOL PEER GROUP  
2001**

In all 3 peer groups



\* Based on 2000 IPEDS (most recent) submission to the Department of Education, excludes hospital and independent operations  
Source: 2001-2002 Expense Data from the *Chronicle of Higher Education*; 1999-2000 Department of Education/NCES; NCAA

## 3 Options to Move Forward

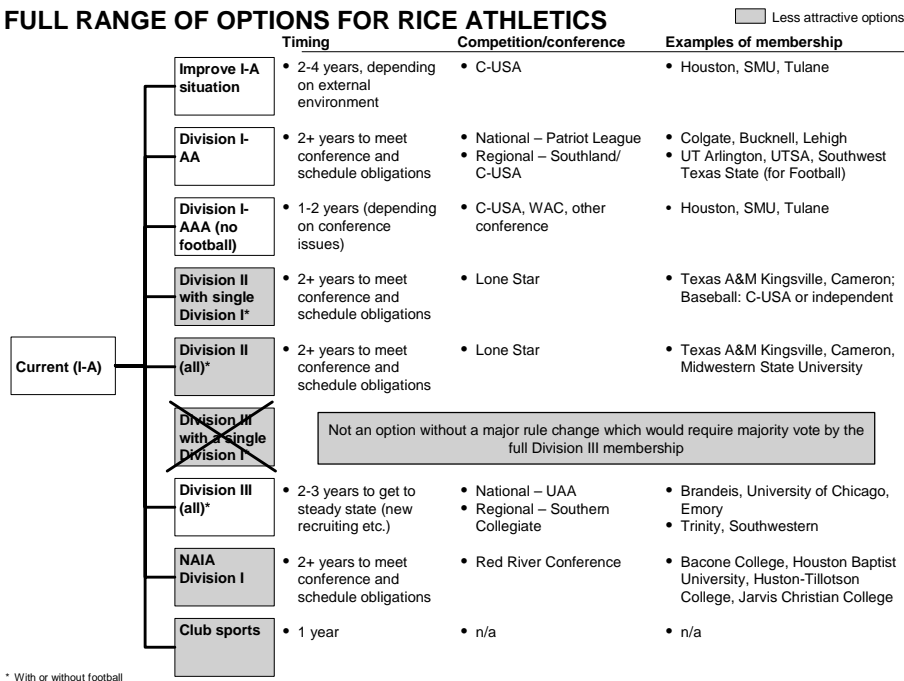
### **ASSESSING THE OPTIONS FOR RICE ATHLETICS**

Division I-A is the most prestigious, highest level of intercollegiate athletics. Yet, successful I-A programs are increasingly at odds with the academic missions of the universities that support them, and Rice is stuck in the middle between academic and athletic success. Some Rice faculty have become increasingly concerned that the trade-offs in the perceived quality of students and the financial investments required to maintain “big time” sports are no longer tenable. Conversely, while some faculty and many outside the University deservedly credit the integrity and successes of Rice’s athletics program, the school suffers in some sports the reputation of being less competitive, particularly in football. Many believe that by changing Rice athletics, by somehow removing Rice from the escalating “college sports arms race,” many of the issues described in the prior sections of this report would simply vanish.

There are, however, no easy answers for Rice. The tradition and history of the institution are inextricably linked to its participation in “big time” sports. At the same time, the nature of the current programs creates ongoing concern among some faculty and administrators about the balance of the school’s academic mission and its athletic one. As a result, consideration of future options must address the following fundamental questions sequentially:

1. What kind of intercollegiate athletics program does Rice want to have given the balance of educational, research, and competitive goals of the University?
2. How possible is it to achieve a quality program with those characteristics, within the context of Rice’s traditions, constituents, and size?
3. How will success be defined for the athletics program?
4. How willing is Rice to invest the time and money and make the admissions trade-offs required for the program to be an overwhelming success and source of pride?

## FULL RANGE OF OPTIONS FOR RICE ATHLETICS



## LESS ATTRACTIVE OPTIONS

On paper, there are numerous potential options for Rice, but the feasibility of some of these options is often not well understood. Once the realities of some alternatives are analyzed, though, several look far less reasonable for structural, competitive, and historical reasons. The following options are either completely impractical or would lead to such unattractive outcomes for Rice that they cannot be considered reasonable alternatives for the University's future intercollegiate athletics model:

1. Move to Division III, but retain a Division I baseball team.
2. Move to Division II.
3. Move to Division II, but retain a Division I baseball team.
4. Move to Division I of the National Association of Intercollegiate Athletics (NAIA).
5. Drop formal intercollegiate athletics and move to club sports.

**1 Move to Division III, but retain a Division I baseball team**

Moving to Division III and retaining baseball as a Division I sport is likely impossible because it would require a major NCAA rule change that would have to be approved by the entire Division III membership. Eight Division III schools have waivers (essentially, “grandfather clauses”) that allow them to maintain a Division I team with athletic scholarships, such as lacrosse at Johns Hopkins.<sup>67</sup> These schools have been facing pressure from the Division III membership to eliminate their scholarship teams or leave Division III, but an NCAA proposal was passed in January that allows the eight schools to continue playing their Division I scholarship sports. The same proposal eliminated the possibility of additional waivers for other Division III schools.

**2 Move to Division II**

**3 Move to Division II, but retain a Division I baseball team**

**4 Move to Division I of the National Association of Intercollegiate Athletics (NAIA)**

Division II in any form and the NAIA appear unattractive because these options would place Rice in a peer group antithetical to Rice in almost every regard, and such association could even damage the University’s reputation. Substantially weaker, less academically able, and financially unstable schools would compete with Rice. Even the most selective schools in Division II are not considered Rice peers: Albany State, Paine College, and the University of South Dakota. In the NAIA, only a single school (The Illinois Institute of Technology) is included in the latest *U.S. News and World Report’s* ranking of 125 top undergraduate colleges, and many NAIA institutions are in financial and accreditation trouble. Nearby NAIA schools include Houston Baptist University, Huston-Tillotson College, and Jarvis Christian College. Also, because both Division II and the NAIA retain athletic scholarships, many of the current financial and selectivity

<sup>67</sup> On January 12, 2004, the NCAA Division III schools voted by nearly a ratio of 3-to-1 (296-106) to allow eight Division III schools to continue to offer athletic scholarships and play at the Division I level for a single sport. The eight schools who will continue to have waivers are Johns Hopkins University, Colorado College, Hartwick College, St. Lawrence University, Clarkson University, State University of New York at Oneonta, Rensselaer Polytechnic Institute, and Rutgers University at Newark. Although waivers will continue for these schools, the proposal also added an amendment prohibiting any additional Division III schools from playing a Division I scholarship sport. Steve Wieber, “Waivers Continue for D-III Schools to Play a D-I Sport,” *USA Today*, 13 January 2004.



concerns surrounding the trade-offs necessary to maintain Rice athletics would remain.

## DIVISION II MEMBERSHIP CRITERIA

Comparison with Division I-A

<b>Minimum varsity teams required*</b>	<b>Men's</b> 4** <b>Women's</b> 4** <b>Either</b> 0	• 8** teams total	<b>Key differences from Division I-A</b>
<b>Athletic financial aid</b>	<ul style="list-style-type: none"> <li>• <b>Number of grants:</b> <ul style="list-style-type: none"> <li>– Currently use more than ½ of scholarships allowed in each of 4 sports, with at least 2 women's sports &gt; ½ allowable athletes on scholarship</li> <li>– At least 20 full grants inclusive of football and basketball</li> </ul> </li> <li>• <b>Total expenditure on grants:</b> At least \$250,000 with at least \$125,000 in women's grants</li> </ul>		<ul style="list-style-type: none"> <li>• 8 fewer teams, 8 total required</li> <li>• No requirement for football team</li> <li>• 50% scholarship required for only 4 (vs. 14) sports</li> <li>• Only 20 full grants total required</li> <li>• No 200 grant minimum</li> <li>• No football grant minimums</li> <li>• Total expenditure only \$250,000 (vs. \$825K)</li> </ul>
<b>Level of competition</b>	<ul style="list-style-type: none"> <li>• <b>Football:</b> Must play 50% of football games against Division I or II opponents</li> <li>• <b>Basketball:</b> 50% of games against Division I or II opponents</li> </ul>		<ul style="list-style-type: none"> <li>• Football and basketball (if played) must play at least 50% of games against Div. I or II</li> </ul>
<b>Paid attendance</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>		<ul style="list-style-type: none"> <li>• No attendance requirements</li> </ul>

\* Each playing season must be represented by each gender  
 \*\* Changing to 5/5/10 total in 2005  
 Source: NCAA Division I, II, and III manuals

## DIVISION II REGIONAL CONFERENCE OPTIONS – MEMBERS

EXAMPLES

<b>Lone Star conference</b> <ul style="list-style-type: none"> <li>• Abilene Christian University</li> <li>• Angelo State University</li> <li>• Cameron University</li> <li>• University of Central Oklahoma</li> <li>• East Central University</li> <li>• Eastern New Mexico University</li> <li>• Midwestern State University</li> <li>• Northeastern State University</li> <li>• Southeastern Oklahoma State University</li> <li>• Southwestern Oklahoma State University</li> <li>• Tarleton State University</li> <li>• Texas A&amp;M University – Commerce</li> <li>• Texas A&amp;M University – Kingsville</li> <li>• Texas Woman's University</li> <li>• West Texas A&amp;M University</li> </ul>	<b>Heartland conference</b> <ul style="list-style-type: none"> <li>• Dallas Baptist University</li> <li>• Drury University</li> <li>• University of Incarnate Word</li> <li>• Lincoln University (Missouri)</li> <li>• Rockhurst University</li> <li>• St. Edward's University</li> <li>• St. Mary's University (Texas)</li> </ul>
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- There are no attractive national conference options in Division II
- Regional conferences are dramatically different institutions

## SUMMARY OF IMPLICATIONS: DIVISION II

### Description

- Move most sports to Division II, but likely retain Division I baseball
- Compete in a regional conference (Lone Star) with baseball either in a Division I conference or independent
- Reduce the scholarship investment, as allowed by Division II

	Measurement of core tradeoffs	Beliefs driving decision
<b>Philosophy of competition</b>	<p>Compete for national recognition and exposure</p> <p>Compete for the institution and the game</p>	<ul style="list-style-type: none"> <li>• Rice is willing to compete at a lower level, without the national exposure benefits of I-A, for largely economic reasons</li> <li>• Rice can maintain national prominence in, and focus on, a single sport (e.g., Division I baseball)</li> </ul>
<b>Athletes</b>	<p>Driven to be competitive in sports</p> <p>Driven by academic success</p>	<ul style="list-style-type: none"> <li>• Less intense competition allows marginally more time for integration of athletes into the student life of Rice</li> <li>• Division II athletics are attractive to the type of athlete Rice seeks to admit</li> </ul>
<b>Other constituents</b>	<p>Support for the broad tradition of the university is focus</p> <p>Support for the academic mission of the university is focus</p>	<ul style="list-style-type: none"> <li>• Fewer athlete admission and academic trade-offs are made due to a fundamentally different recruiting pool and decreased pressure</li> <li>• Fewer scholarships enable a higher percentage of walk-ons and therefore more representative athletes</li> <li>• Alumni, boosters, and friends of the University are willing to accept a very different, but still scholarship-based, model</li> </ul>
<b>Peer and conference "neighborhood"</b>	<p>Purely regional or athletic peers</p> <p>Purely traditional and/or academic peers</p>	<ul style="list-style-type: none"> <li>• The Lone Star Conference (and most of Division II), as a set of largely inferior schools academically, is acceptable in the context of the national aspirations of Rice</li> <li>• A purely regional conference simplifies all aspects of intercollegiate competition</li> </ul>
<b>Economics</b>	<p>Significant investment, driven by need to compete</p> <p>Less investment, driven by different focus</p>	<ul style="list-style-type: none"> <li>• Moving to Division II will result in substantial savings, primarily from decreased coaching salaries, fewer scholarships, and less travel</li> </ul>

## SUMMARY OF IMPLICATIONS: NAIA DIVISION I

### Description

- Move all sports to the NAIA, Division I
- Compete in the Red River conference
- Reduce the scholarship investment, as allowed by the NAIA

	Measurement of core tradeoffs	Beliefs driving decision
<b>Philosophy of competition</b>	<p>Compete for national recognition and exposure</p> <p>Compete for the institution and the game</p>	<ul style="list-style-type: none"> <li>• Rice is willing to compete in a context that is fundamentally different from the NCAA and any Rice academic peer</li> </ul>
<b>Athletes</b>	<p>Driven to be competitive in sports</p> <p>Driven by academic success</p>	<ul style="list-style-type: none"> <li>• Less intense competition allows marginally more time for integration of athletes into the student life of Rice</li> <li>• NAIA athletics are attractive to the type of athlete Rice seeks to admit</li> </ul>
<b>Other constituents</b>	<p>Support for the broad tradition of the university is focus</p> <p>Support for the academic mission of the university is focus</p>	<ul style="list-style-type: none"> <li>• Recruiting fundamentally less talented athletes reduces athlete trade-offs</li> <li>• The decreased pressure to fill scholarships enables a higher percentage of walk-ons and therefore, more representative athletes</li> <li>• Alumni, boosters, and friends of the university are willing to accept a very different, somewhat inferior model</li> </ul>
<b>Peer and conference "neighborhood"</b>	<p>Purely regional or athletic peers</p> <p>Purely traditional and/or academic peers</p>	<ul style="list-style-type: none"> <li>• Rice is willing to accept membership in the NAIA, which includes very small, often financially unsound institutions – only one school in the <i>U.S. News</i> top 125 is in the NAIA (Illinois Institute of Technology)</li> <li>• Rice is willing to accept membership in a conference that includes schools like Bacone College, Houston Baptist University, Huston-Tillotson College, Jarvis Christian College</li> </ul>
<b>Economics</b>	<p>Significant investment, driven by need to compete</p> <p>Less investment, driven by different focus</p>	<ul style="list-style-type: none"> <li>• Moving to the NAIA results in substantial savings, primarily from decreased coaching salaries, fewer scholarships, and less travel</li> </ul>

5

## Drop formal intercollegiate competition and move to club sports

Eliminating intercollegiate athletics altogether and going to a club sport model without formal recruiting or coaching is probably too far removed from the *status*

*quo* to be possible. This option ignores the long tradition of athletics at Rice and the cultural norms of the United States. There are many top prospective students, as the Division III members of the University Athletic Association (UAA) conference have discovered,<sup>68</sup> who enjoy or demand competing in athletics—even if at a lower competitive level. Rice may inadvertently eliminate an entire subset of its applicant pool without some level of intercollegiate competition. This option also would eliminate the personal benefits that many believe formal, coached athletic competition provides to undergraduates. It is important to note that every Rice AAU and COFHE peer participates in one of the five NCAA divisions.

### SUMMARY OF IMPLICATIONS: CLUB SPORTS

<b>Description</b>	<ul style="list-style-type: none"> <li>• Leave intercollegiate athletics entirely</li> <li>• Reinvest athletic dollars in extensive club and intramural programs</li> </ul>	
<b>Measurement of core tradeoffs</b>		
<b>Philosophy of competition</b>	Compete for national recognition, and exposure	<b>Beliefs driving decision</b> <ul style="list-style-type: none"> <li>• Athletics in its most pure amateur form</li> <li>• Intercollegiate competition made up completely of voluntary athletic clubs (walk-ons)</li> </ul>
<b>Athletes</b>	Driven to be competitive in sports	<ul style="list-style-type: none"> <li>• All athletic competition based purely on an athlete's desire to compete</li> <li>• Elimination of the diversity brought to campus by athletes at any level is acceptable</li> </ul>
<b>Other constituents</b>	Support for the broad tradition of the university is focus	<ul style="list-style-type: none"> <li>• No explicit recruiting activities</li> <li>• Athletic participation as a criteria for admission that is no different from any other activity (e.g., high school student council)</li> </ul>
<b>Peer and conference "neighborhood"</b>	Purely regional or athletic peers	<ul style="list-style-type: none"> <li>• No formal conferences and complete freedom to schedule club competitions based on convenience, availability, and desire to compete</li> </ul>
<b>Economics</b>	Significant investment, driven by need to compete	<ul style="list-style-type: none"> <li>• Absolute minimum investment in intercollegiate sport</li> </ul>

### VIABLE OPTIONS

There remain, then, four options that do not involve a structural change either to NCAA rules, the character of Rice as a university, or Rice's association with quality education:

1. Remain in NCAA Division I-A, but aggressively work to improve top-tier sports locally and nationally.

68 See the discussion of Division III later in this report for more detail about the UAA.

2. Move to NCAA Division I-AA (less competitive, non-scholarship football).
3. Move to NCAA Division I-AAA (no football).
4. Move to NCAA Division III (non-scholarship athletics with a fundamentally different institutional emphasis).

**1 Remain in Division I-A, but aggressively work to improve top-tier sports locally and nationally**

Prior sections of this report described the current state of Rice athletics and the associated issues that many feel must change, yet that is only part of the story. Many positives exist in the current system, not least among them Rice's tradition and the amazing example it has set in building success while compromising little of the school's academic mission. This is not to say, however, that improvements cannot be made within the context of continued Division I-A competition. While such improvements may be slower or more limited relative to other options, remaining in Division I-A has the clear advantage of momentum and continuity. Still, a commitment to remain in Division I-A and to excel implies a renewed commitment to athletics (likely manifested in dollars), and, most importantly, a clear strategy to lead change across intercollegiate athletics locally and nationally.

The only distinction between Division I-A and the other Division I schools is the presence of top tier, nationally visible football teams. Division I-A is divided into two camps, the higher revenue BCS schools and the lower revenue non-BCS schools. Given that Rice does not and will not make the financial or academic trade-offs elite I-A football schools make to produce consistently winning football teams, it is difficult to believe Rice will ever be invited to join a BCS conference. Accordingly, a commitment to Division I-A excellence requires the belief that Rice can take a leading role and, with other schools, limit the disconnect between athletic success and academic excellence in higher education. This belief should be tempered with an acceptance that Rice's power to change its environment (and influence schools twenty times its size) is very small, and that significant reform to the *status quo* is unlikely.

## DIVISION I-A MEMBERSHIP CRITERIA

Minimum varsity teams required*	Men's	6	<ul style="list-style-type: none"> <li>• One men's sport must be football</li> <li>• 16 teams total</li> </ul>
	Women's	8	
	Either	2	

Athletic financial aid	<ul style="list-style-type: none"> <li>• <b>Number of grants:</b> <ul style="list-style-type: none"> <li>– Currently use more than ½ of scholarships allowed in each of 14 sports, with at least 7 women's sports &gt; ½ allowable** athletes on scholarship</li> <li>– At least 50 full grants, exclusive of football and basketball and at least 200 total grants or &gt; \$4 million total expenditure</li> <li>– Average of at least 90% of maximum number of football grants per year over rolling 2-year period</li> </ul> </li> <li>• <b>Total expenditure on grants:</b> At least \$825,000 annually with at least \$412,500 in women's grants</li> </ul>
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Level of competition	<ul style="list-style-type: none"> <li>• <b>Football</b> <ul style="list-style-type: none"> <li>– Must play 60% of football games against Division I-A opponents</li> <li>– Must have at least 5 regular season home football games</li> </ul> </li> <li>• <b>Basketball:</b> Only 4 non-Division I opponents allowed</li> <li>• <b>All other sports:</b> All competition against Division I opponents</li> </ul>
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Paid attendance	<ul style="list-style-type: none"> <li>• <b>Football:</b> Average of 15,000 paid attendance per home game (requirement removed in April 2004)</li> </ul>
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\* Each playing season must be represented by each gender  
 \*\* "Allowable" defined as the maximum grants per team (85 for football, for example)  
 Source: NCAA Division I, II, and III manuals

Spearheading realignment of academics and athletics would not only address concerns of many Rice constituents, but could set Rice as an even stronger model for other schools nationally. Three objectives for internal improvements at Rice should be considered:

1. Increase the academic qualifications of athletes as compared to the entire undergraduate population
2. Increase the integration of the Athletic Department, including its budget, management, and student services, into the rest of the University
3. Set clear, well-defined expectations for the cost of competing in terms of both admissions trade-offs and financial investment, and, with equal clarity, articulate the benefits that intercollegiate athletics brings to the Rice community.

Undertaking such efforts in a public way on the national stage would not only assist national reform efforts, but may potentially attract more of the athletes who would be most successful at Rice. Tactically, such change would need to focus on financial investments, the organization of the University, the academic environment, the social community, and the overall University image. The following ideas are based on a combination of Rice constituent interviews, peer institution interviews, athletics conferences, and media research.

*Key ideas to improve of the current situation*

¶ **Financial investments.**

- a. Launch a focused, clearly delineated one-time athletic endowment fund-raising campaign. If athletics is the standard bearer of tradition, connectedness, and emotional attachment for the University, it is time to take advantage of that passion to make Rice athletics more self-sufficient.
- b. Invest in a new convocation/gym/recreation facility. Autry Court is, in many ways, a poor advertisement for Rice regardless in which competitive division Rice plays. Considering that Rice has made regular investments in first-rate facilities, it should recognize that the state of Autry Court impacts recruiting of all students. Athlete recruiting is particularly impacted as prospects question Rice's commitment to its athletics program. A new combination facility benefits the entire student body in addition to attracting higher-caliber athletes to Rice.

¶ **Organization of the University.** Whether or not the athletic department actually operates independently, outside of the normal "rules" of the administration, the perception that it does is reflected in the ongoing efforts by some faculty to "reign in" special considerations. Some of this perception might be alleviated with efforts to better link intercollegiate athletics into the broader mission of the University. This need not be as dramatic as eliminating the position of Athletic Director, as Vanderbilt did recently, but other initiatives might serve both the broad administration and the athletic department well:

- a. Make the economics of Rice athletics transparent to the entire University and its constituents.
- b. Increase coordination between the University and athletics department admission offices, and enlist the broader University in recruiting athletes for Rice. Athletic recruits do, in fact, need substantial convincing to come to Rice, and they should understand the character of the institution before committing.
- c. Admit athletes through as similar a process (to the rest of Rice) as possible. Consider having applicants fill out the same application as non-athletes; the premise is that if Rice athletes are not at least willing to complete the normal application, they may not be the type of student Rice wants in the first place.

- d. Work to better link the faculty to the athletic admissions process, but shift the focus from SAT scores and high school GPAs to the ability to be successful at Rice.

¶ **Academic environment.**

- a. Eliminate athlete-specific academic advising, but broaden the scope of university-wide academic advising to legitimately support the needs of athletes. De-emphasize the role of colleges in, and strengthen the delivery of, student services (especially academic advising and Honor Code dissemination). Enhance and provide equal academic support, including skills workshops and tutoring, to all students.
- b. Conduct formal reviews of and monitor academic programs in which athletes cluster to ensure these programs are leveraged as broad assets to all Rice students and to the University as a whole.
- c. Consider moving the Kinesiology department out of the gym and into a Humanities or Natural Sciences academic building. Also, consider if the department, with its academic focus, is better suited to the school of Natural Sciences.

¶ **Social community.**

- a. Encourage athletes to live on campus—in part by making on-campus housing more attractive for athletes (consideration of season length, cost, and schedule requirements).
- b. Involve more athletes in broad Orientation Week activities. Conduct a review of O-Week to increase interaction of athletes and non-athletes (including participation of coaches in university-wide events, creation of early receptions for teams whose seasons start before O-Week, and changing the timing of O-Week and O-Week events to better accommodate in-season sports).
- c. Consider ways to incorporate athletes into the social culture including more emphasis on integrating the athletic calendar with the academic one, recognizing wins, playing exhibition games at pro venues, having coaches as active college associates, and having athletes as active club sports coaches.

- ¶ **Overall university image.** Define a clear message and publicize it: “Rice will be the model of athletic endeavor without academic sacrifice. Rice will pursue excellence and uphold the highest ethical standards in


all its endeavors, including athletics. We will do X, Y, and Z to achieve this end.”


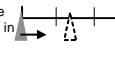
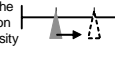


Improvements such as these will help Rice create an elite, even stronger Division I-A athletics program. Even if Rice does choose to change the NCAA division in which it competes, many of these changes could still be applied and would make a substantial improvement in aligning the athletic and academic interests of Rice.

Despite the truly exciting nature of the aspirations described above, it is important to realize there are limitations to what internal efforts can achieve. It is often asked, “Why can’t Rice be like Stanford? Or Duke?” It is unrealistic to believe that Rice will ever have an athletics program like Stanford or Duke, and it is not clear that either Stanford or Duke are perfect. Both schools make the same types of trade-offs that Rice does in order to be successful. For example, Stanford is able to attract truly outstanding athletes in non-team sports in order to balance the exceptions it makes in football and basketball, and Duke recently relaxed admissions standards for football in hopes of building a more competitive team.

The bottom line is demographics. There are precious few athletes who can both play at the Division I level and score above 1250 on the SAT, and every school wants this same group of athletes. After removing a few schools from the mix who have a geographic or legacy advantage or possess powerful traditions, such as Stanford, Notre Dame, and Duke, there are not many top athletes left for the Vanderbilts, Bayers, Tulanes, and Rices. (Although the efforts described in this section might help Rice capture a larger share.)

**EVEN IF RICE REMAINS IN I-A, PEERS ILLUSTRATE OPPORTUNITIES TO IMPROVE DIMENSIONS OF THE ATHLETICS PROGRAM**  
**Opportunities to shift the trade-offs in Division I-A**

 Some structural limits in I-A

	Measurement of core tradeoffs	Opportunity	Peer examples
<b>Philosophy of competition</b>	Compete for national recognition and exposure  Compete for the institution and the game	<ul style="list-style-type: none"> <li>• <b>Internal:</b> Change the dynamic of varsity athletics by increasing emphasis on intramural sports; solidify varsity athletics in the context of athletics as a component of the university experience</li> <li>• <b>National:</b> Work to make post-season play contingent on graduation rates</li> </ul>	<ul style="list-style-type: none"> <li>• Service academies, Notre Dame, Vanderbilt</li> </ul>
<b>Athletes</b>	Driven to be competitive in sports  Driven by academic success	<ul style="list-style-type: none"> <li>• <b>Internal:</b> Require varsity athletes to complete the same application as every other applicant and work to make the application process as uniform as possible; eliminate renewable scholarships</li> <li>• <b>National:</b> Set limits on practice time and eliminate (nationally) renewable scholarships</li> </ul>	<ul style="list-style-type: none"> <li>• Stanford, Duke, Vanderbilt</li> </ul>
<b>Other constituents</b>	Support for the broad tradition of the university is focus  Support for the academic mission of the university is focus	<ul style="list-style-type: none"> <li>• <b>Internal:</b> “Re-connect” the Athletic Department and the University administration               <ul style="list-style-type: none"> <li>– Oversight</li> <li>– Clear involvement in recruiting and “at risk” admissions</li> </ul> </li> <li>• <b>National:</b> Stronger regulations for non-alum donations</li> </ul>	<ul style="list-style-type: none"> <li>• Vanderbilt</li> </ul>
<b>Peer and conference “neighborhood” peers</b>	Purely regional or athletic peers  Very long term Purely traditional and/or academic peers	<ul style="list-style-type: none"> <li>• <b>Internal/Local:</b> Work for the creation on an Ivy-like “Magnolia” conference as a competitive alternative</li> <li>• <b>National:</b> Work on the national scene to expand the set of peers who put academic concerns first</li> </ul>	<ul style="list-style-type: none"> <li>• Ivy League, Patriot League</li> </ul>
<b>Economics</b>	Significant investment, driven by need to compete  Less investment, driven by different focus	<ul style="list-style-type: none"> <li>• <b>Internal:</b> Make an explicit decision about athletics and economics, and follow through               <ul style="list-style-type: none"> <li>– Direct administrative oversight</li> <li>– Clear metrics for success</li> </ul> </li> <li>• <b>National:</b> Seek equitable distribution of all revenue, regardless of competitive success</li> </ul>	<ul style="list-style-type: none"> <li>• Tulane</li> </ul>



If Rice is to remain in Division I-A, the most powerful message from the school would be to continue to be competitive and, at the same time, both unilaterally and externally work to remove the constructs that separate the athletic and academic objectives of the University. So as not to be overly sanguine, the solution space will remain rather small while the constituents who benefit from the *status quo* are emotionally and economically entrenched in their positions. Nonetheless, Rice could join with other schools at the forefront of change, such as Tulane and Vanderbilt, and build an even better model athletics program that removes any doubt about whether it is worth the investment.

*Detailed implications for Rice constituents: assuming ideas to improve the current Division I-A situation are undertaken*

¶ **Athletes.**

- a. Athletes may be even more difficult to recruit given the recommended application process; however, the students who are admitted are more likely to be representative (based on test scores and academic performance) of non-athletes at Rice.
- b. Given improved athletics facilities and 4-year athletic scholarships, recruits, especially basketball players, will be more inclined to sign with Rice—the danger, of course, being that some athletes may lose interest and quit playing. Still, there will likely be a much higher potential of having a competitive basketball team (where 1 or 2 key players can make the difference).
- c. Athletes will be more integrated into the “Rice experience” through social activities (e.g., O-Week), living in the colleges, and utilization of the same set of university services.

¶ **Other Rice students.**

- a. Rice students are likely to be more enthusiastic about the athletics program if they can better relate to the athletes and no longer feel that they are given special treatment via admissions, advising, and perceived “shelter programs.” This could have a positive impact on student, and subsequently alumni, game attendance.
- b. Students will be excited and pleased with the improvement of the recreational and athletic facilities, as Autry Court is a source of current student complaints.
- c. Potential students should be more attracted to Rice given the new facility and its national leadership.

¶ **Coaches and Athletic Department staff.**

- a. Coaches will be pleased to see increased investment in athletics with the new facilities.
- b. Coaches will be concerned over the increased coordination of admissions and transparency of costs (which other departments are not subject to at Rice, though cost transparency is fairly common at other universities). Coaches are likely to be troubled over the new admissions policies, as recruiting will become more difficult, especially in the high-profile sports.

¶ **Faculty.**

- a. Some faculty will continue to feel frustrated with Division I-A athletics and the continued financial investment that will likely increase in the short term to support the various initiatives.
- b. Many faculty members will likely be more approving of the athletics program with the revised admissions process, the increase in the academic qualifications of athletes, and the publicly stated goal of reduced academic compromise.

¶ **Administrators.** Administrators will have their duties expanded and will need to create proactive relationships with the Athletic Department staff.

¶ **Alumni and other Rice supporters.** Other constituents will continue to associate themselves with the Rice tradition of athletic excellence, and may actually increase support if Rice is able to gain national recognition for its efforts.

## SUMMARY OF IMPLICATIONS: IMPROVE I-A SITUATION

Description	
<ul style="list-style-type: none"> <li>• Continue to participate in "big time" competitive athletics at the highest collegiate level</li> <li>• Work to address faculty and other constituent concerns through a series of internal reforms</li> <li>• Continue to participate actively in national efforts to reform intercollegiate athletics</li> </ul>	
Measurement of core tradeoffs	
Philosophy of competition	<p>Compete for national recognition, and exposure</p> <p>Compete for the institution and the game</p>
Athletes	<p>Driven to be competitive in sports</p> <p>Driven by academic success</p>
Other constituents	<p>Support for the broad tradition of the university is focus</p> <p>Support for the academic mission of the university is focus</p>
Peer and conference "neighborhood"	<p>Purely regional or athletic peers</p> <p>Purely traditional and/or academic peers</p>
Economics	<p>Significant investment, driven by need to compete</p> <p>Less investment, driven by different focus</p>
Beliefs driving decision	
<ul style="list-style-type: none"> <li>• Rice and top-tier, Division I athletic competition are compatible</li> <li>• Being less competitive in football and potentially basketball over the long-term is acceptable</li> <li>• I-A NCAA athletics can be reformed to at least create an acceptable competitive environment for schools like Rice</li> </ul>	
<ul style="list-style-type: none"> <li>• The commitment (time/focus) required of top athletes, as reinforced by scholarships, is worth the trade-offs in educational and social experiences</li> <li>• Improvements can be made to drive better integration of athletes into the student life of Rice</li> </ul>	
<ul style="list-style-type: none"> <li>• Admissions and recruiting can be modified to address faculty concerns about the commitment, intent, and preparedness of athletes</li> <li>• There are enough of the "right" athletes in the applicant/recruiting pool to remain competitive and retain academic integrity</li> <li>• The broad benefits of a nationally recognized program, including football, outweigh the remaining trade-offs in admissions and other areas</li> </ul>	
<ul style="list-style-type: none"> <li>• C-USA provides an acceptable set of academic peers</li> <li>• Rice, at least in the short-term, will benefit from the broad national association with C-USA and its institutions</li> <li>• Rebirth of traditional, regional rivalries is beneficial to the University and can serve as a common link for diverse constituents</li> </ul>	
<ul style="list-style-type: none"> <li>• The current set of Division I sports are worth at least the current level of investment</li> <li>• Investment is key to future success in basketball and football; either investments must be made or less success must be accepted</li> <li>• There is little/no expectation that Rice athletics should ever pay for itself outright</li> </ul>	

## 2 Move to Division I-AA and potentially move to the Patriot League, Pioneer League, or a similar, non-scholarship football conference

The case for moving to Division I-AA would be based on the belief that participation in a non-scholarship football league will alleviate major athletic-academic tensions. With this option, Rice could also retain the competitive level it currently enjoys in other sports, notably baseball. The following excerpt from a letter to Scott Cowen, President of Tulane University, in conjunction with Tulane's proposed athletic changes illustrates the benefits:

**I was recruited to Drake to play Division I football. During my tenure there, Drake elected to go to Division III then later join the Pioneer League (I-AA). I was disgruntled at first, but later realized it was the single best thing that could have happened to the football team. Drake still competed in other Division I athletics that required less expense (basketball, baseball, etc), but the football team had a better chance of competing against schools similar to itself. Student interest increased, and I think alumni interest did as well; no one liked seeing a losing program, and it was apparent that Drake would never compete consistently against Iowa, Minnesota, and other Big Ten teams. The Pioneer League also provided national visibility, playing from San Diego to San Francisco to Buffalo, New York.<sup>69</sup>**

Despite such potential benefits, a move to Division I-AA for Rice would be complicated by a lack of appreciable net cost savings, upset constituents, and,

69 Drake University ex-athlete, Letter to Scott Cowen, President of Tulane University, 21 April 2003.

most importantly, conference realignment. At a minimum, moving to Division I-AA would necessitate that Rice find a new conference in which to play football. While it is possible that Rice could remain in C-USA for all other sports except football, it is far from certain that such a split conference model is workable. Wholesale departure from C-USA for all sports is even less appealing as there are no other conferences that fit well with both Rice's geography and its academic peer profile.

### DIVISION I-AA MEMBERSHIP CRITERIA

Comparison with Division I-A

<b>Minimum varsity teams required*</b>	<table style="border-collapse: collapse;"> <tr> <td style="padding: 2px 5px;"><b>Men's</b></td> <td style="padding: 2px 5px;">6</td> <td style="padding: 2px 5px;">7</td> <td rowspan="3" style="padding: 5px;"> <ul style="list-style-type: none"> <li>• One men's sport must be football</li> <li>• 14 teams total</li> </ul> </td> </tr> <tr> <td style="padding: 2px 5px;"><b>Women's</b></td> <td style="padding: 2px 5px;">8</td> <td style="padding: 2px 5px;">or 7</td> </tr> <tr> <td style="padding: 2px 5px;"><b>Either</b></td> <td style="padding: 2px 5px;">0</td> <td style="padding: 2px 5px;">0</td> </tr> </table>	<b>Men's</b>	6	7	<ul style="list-style-type: none"> <li>• One men's sport must be football</li> <li>• 14 teams total</li> </ul>	<b>Women's</b>	8	or 7	<b>Either</b>	0	0	<p><b>Key differences from Division I-A</b></p> <ul style="list-style-type: none"> <li>• 2 fewer (14) total teams required</li> <li>• No 200 grant minimum</li> <li>• No specific football grant minimums (rolling average)</li> <li>• 50 (vs. 60%) of football vs. Div. I</li> <li>• No requirement to play any I-A football teams</li> <li>• No attendance requirements</li> </ul>
<b>Men's</b>	6	7	<ul style="list-style-type: none"> <li>• One men's sport must be football</li> <li>• 14 teams total</li> </ul>									
<b>Women's</b>	8	or 7										
<b>Either</b>	0	0										
<b>Athletic financial aid**</b>	<ul style="list-style-type: none"> <li>• <b>Number of grants:</b> <ul style="list-style-type: none"> <li>– Currently use more than ½ of scholarships allowed in each of 14 sports, with at least 7 women's sports &gt; ½ allowable athletes on scholarship</li> <li>– At least 50 full grants, exclusive of football and basketball</li> </ul> </li> <li>• <b>Total expenditure on grants:</b> At least \$825,000 with at least \$412,500 in women's grants</li> </ul>											
<b>Level of competition</b>	<ul style="list-style-type: none"> <li>• <b>Football</b> <ul style="list-style-type: none"> <li>– Must play <b>50%</b> of football games against <b>Division I</b> opponents</li> <li>– Must have at least 5 regular season home football games</li> </ul> </li> <li>• <b>Basketball:</b> Only 4 non-Division I opponents allowed</li> <li>• <b>All other sports:</b> All competition against Division I opponents</li> </ul>											
<b>Paid attendance</b>	<ul style="list-style-type: none"> <li>• <b>None</b></li> </ul>											

\* Each playing season must be represented by each gender  
 \*\* Members of the Ivy League are not required to and do not give athletic grants-in-aid  
 Source: NCAA Division I, II, and III manuals

Starting with the split conference implementation, Rice could in theory remain in C-USA for (scholarship) non-football sports and play (non-scholarship) football elsewhere. There is no rule or agreement preventing this,<sup>70</sup> and, in fact, several current members of C-USA have lacked football teams for some time (e.g., Marquette University and DePaul University). Rice, however, is not a formal member of the C-USA until 2005, and even once it is, a 75 percent vote can force a member out of the conference. With four non-football schools leaving C-USA in two years, the conference will shift its focus even more toward football<sup>71</sup> and may strongly wish to have only members who play football. This could make non-participation in scholarship football problematic for Rice, and Rice might be asked to withdraw from the conference, as Temple was recently asked to exit the Big East. Of course, C-USA would need to find a "replacement" for Rice, so there

70 C-USA bylaws and agreement between Rice University and C-USA.

71 The four non-football schools currently in C-USA are DePaul University; Marquette University; University of North Carolina, Charlotte; and Saint Louis University. Once projected moves are completed, all 12 C-USA schools in the fall of 2005 will play football.

would be no clear benefit to the conference forcing Rice's departure. Additionally, the assets Rice brings to a strong baseball conference like C-USA may convince the conference members that Rice's non-participation in football is acceptable. Were Rice forced to leave C-USA, it could perhaps remain in the WAC and attempt a split conference implementation, but this would complicate an already difficult travel scenario.

The only other option would be to play all sports in another conference (one that competes in I-AA football as well as other Division I sports), but conference options in this case are even more troublesome. Rice could join a league such as the Patriot League, which offers a good set of peers academically but, located on the East Coast, is regionally remote to Rice. Opting for better geographic proximity would lead to a regional conference such as the Southland Conference, which would shorten travel times, but result in a set of opponents who, academically, look very different from Rice.

I-AA CONFERENCE OPTIONS		EXAMPLES
	<b>Patriot League</b>	<b>C – USA/Pioneer Football League</b>
<b>Members</b>	<ul style="list-style-type: none"> <li>American University</li> <li>Bucknell University</li> <li>Colgate University</li> <li>Fairfield University (field hockey only)</li> <li>Fordham University (football only)</li> <li>Georgetown University (football only)</li> <li>Hobart and William Smith Colleges (men's lacrosse only)</li> <li>College of the Holy Cross</li> <li>Lafayette College</li> <li>Lehigh University</li> <li>Towson University (football only)</li> <li>U.S. Military Academy (except football)</li> <li>U.S. Naval Academy</li> <li>Villanova University (women's lacrosse only)</li> </ul>	<ul style="list-style-type: none"> <li><b>C-USA (for non-football sports)</b> <ul style="list-style-type: none"> <li>East Carolina University</li> <li>Marshall University</li> <li>Southern Methodist University</li> <li>U. of Alabama at Birmingham</li> <li>University of Houston</li> <li>University of Central Florida</li> <li>University of Memphis</li> <li>University of Southern Mississippi</li> <li>University of Tulsa</li> <li>Texas Christian University</li> <li>Tulane University</li> </ul> </li> <li><b>Pioneer League (football)</b> <ul style="list-style-type: none"> <li>Austin Peay State University</li> <li>Butler University</li> <li>Davidson University</li> <li>University of Dayton</li> <li>Drake University</li> <li>Jacksonville University</li> <li>Morehead State University</li> <li>University of San Diego</li> <li>Valparaiso University</li> </ul> </li> </ul>
<b>Pros</b>	<ul style="list-style-type: none"> <li>Peer academic institutions</li> <li>Strong competitive traditions for some members</li> <li>Non-scholarship for many sports</li> </ul>	<ul style="list-style-type: none"> <li>Mixed (some more peer, some less so) institutions</li> <li>All non-scholarship for football only</li> <li>Could remain in C-USA for all but football</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>No local members</li> </ul>	<ul style="list-style-type: none"> <li>While more local, still significant travel costs for large football team</li> </ul>
		<b>Southland</b>
		<ul style="list-style-type: none"> <li>Jacksonville State University (football only)</li> <li>Lamar University</li> <li>University of Louisiana at Monroe</li> <li>McNeese State University</li> <li>Nicholls State University</li> <li>Northwestern State University</li> <li>Sam Houston State University</li> <li>Southeastern Louisiana University</li> <li>Southwest Texas State University</li> <li>Stephen F. Austin State University</li> <li>University of Texas at Arlington</li> <li>University of Texas, Pan American (men's tennis only)</li> <li>University of Texas at San Antonio</li> </ul>
		<ul style="list-style-type: none"> <li>Regional (low travel costs)</li> </ul>
		<ul style="list-style-type: none"> <li>Significantly different academic institutions</li> <li>No athletic or academic relationship</li> </ul>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">Other conference options have no academic or regional characteristics that are attractive</div>		

Ultimately, any decision involving Division I-AA will need to be made after understanding, directly from C-USA, what the implications of Rice not participating in C-USA football would be.

In addition to conference realignment, constituents pose a large challenge to this option. There would be, as a result of a move to Division I-AA, broad upheaval in the football program. Other schools in similar situations have seen football players leave in large numbers. Unlike dropping football altogether or moving to Division III, the move would handicap football players who leave, since a

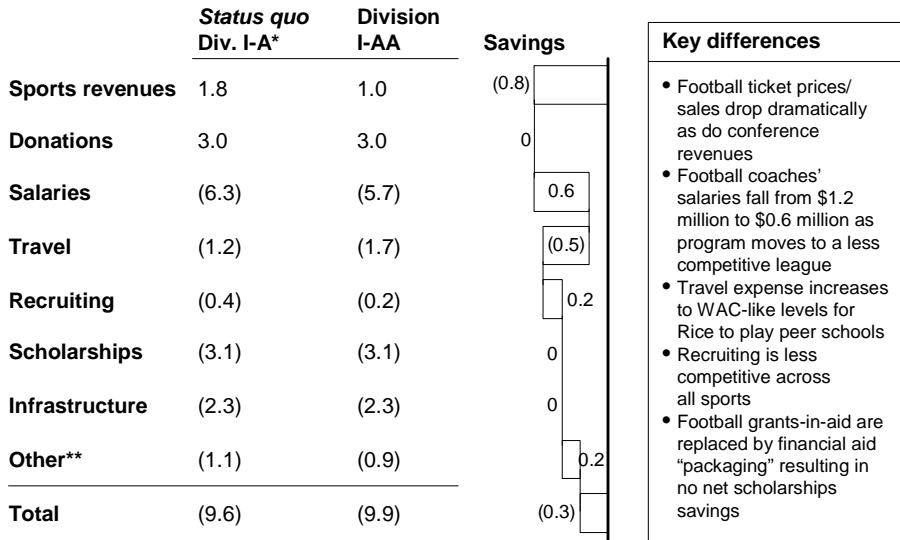
voluntary departure from Rice would cause a 1-year loss of eligibility to play at other schools. There would likely also be wholesale changes in the coaching staff, since the competitive and financial rewards in Division I-AA are different than in Division I-A.

Finally, the financial situation is unlikely to be significantly better in Division I-AA than in Division I-A. Attendance and/or ticket prices (already low) at football games might drop substantially, and football revenue from away game guarantees and conference distributions would disappear. Travel expenses may also return to WAC-like levels were Rice forced to leave the C-USA and opt for academically similar peers. Cost savings from scholarships may never materialize in a non-scholarship football conference, as it is reasonable to believe Rice would be subject to the same financial “packaging” faced by other schools with non-scholarship Division I football programs. As a rough estimate, these lost revenues and other cost increases are unlikely to be offset by salary and recruiting cost saving opportunities.<sup>72</sup> A decision to move to Division I-AA, therefore, is not about cost savings. It is about playing less competitive football with over 85 athletes that are more academically qualified.

**DIVISION I-AA ECONOMICS MAY ACTUALLY BE WORSE**

ESTIMATES

\$ Millions



\* Division I-A pro forma from 2001-2002 financials to account for reduced C-USA travel expenses and 55% of actual scholarship costs (i.e., scholarships net of average financial aid for general Rice students); no other pro forma adjustments have been made, e.g., decreased membership dues or increased revenues

\*\* Includes insurance; printing and photocopying; telephone and postage; automobile; radio and television; concessions, parking and advertising; dues and memberships; medical services; rental; and miscellaneous expenses

Source: Rice University audits; EADA; McKinsey analysis

72 Optimistically, no decrease in athletic donations has been assumed.

This estimate is only for recurring annual savings and does not account for the costs of transitioning to a new Division, the most notable of which would be contract termination fees.<sup>73</sup> It also does not account for capital investments.

*Detailed implications for Rice constituents: moving to Division I-AA*

¶ **Athletes.**

- a. If football players transfer schools following a move to Division I-AA by Rice, they will lose one year of eligibility.
- b. In general, any change to the competitive level of a program is likely to create a contingent of athletes who believe they were treated unfairly by the school. Other schools that have gone through similar transitions have worked both to make the players who stayed financially whole and to actively seek new competitive “homes” for those who chose to leave.
- c. Moving to less competitive football may impact the quality of athletes in other sports slightly and will attract players from a different competitive level in football.
- d. There is the potential to build a better program in basketball and reinforce excellence in baseball with renewed focus, although there will be little if any cost savings available to fund these efforts.
- e. There likely will be a tension between football (non-scholarship) and other athletes (scholarship).

¶ **Other Rice students.**

- a. A move to Division I-AA would lead to even fewer regional football rivalries (unlike C-USA) and could decrease football attendance.
- b. A drop to Division I-AA may affect the attractiveness of Rice for prospective students, but this is likely a minimal impact, because the common perception appears to be that most students do not choose Rice because of its Division I-A football team.

<sup>73</sup> The athletic director and the head coaches of baseball, football, soccer, women’s track and field, women’s basketball, and men’s basketball are the only staff members of the Athletic Department that currently have multi-year employment contracts. The head football coach has a contract that was recently extended to June 30, 2010 while all other head coaches have contracts that are typically five years in length. If a conference change were to occur and contracts with certain coaches were terminated, there would be some cost associated with the remaining obligation of these contracts.

¶ **Coaches and Athletic Department staff.**

- a. The football coach and most of his staff would likely leave, and the University would still need to honor some portion of his remaining employment contract.
- b. In a non-scholarship football league, Rice might need to field a deeper football bench because players would feel less economic compulsion to continue playing (were they to pursue other interests that conflicted with continuing to participate).
- c. The Athletic director may leave as well, citing the de-emphasis of athletics represented by the move to Division I-AA. The University would need to honor some portion of his remaining contract.

¶ **Faculty.** There is a belief among some faculty that participants in non-high-profile sports (i.e., other than football, basketball, or baseball) have greater interest in the academics at Rice. Adopting a non-scholarship football program might address some faculty concerns by creating a selection bias for football players who are more academically representative. Since sports other than football would still use scholarships, however, there will likely be faculty members who believe that this option does not go nearly far enough.

¶ **Administrators.** Implications for administrators are largely the same as for Division I-A, with the exception of managing the admissions process. Experience at other I-AA schools would indicate that the pressure to “package” (i.e., offer “non-athletic” scholarships to meet all of an athlete’s needs) would still exist and, as a result, make the admissions process more complex.

¶ **Alumni and other university supporters.**

- a. Donations to athletics would likely decline dramatically, since football alumni and boosters will likely view the move negatively.
- b. Moving to Division I-AA will likely have very similar implications to dropping football entirely including significant pressure from alumni and supporters.<sup>74</sup> Pressure at other schools has actually forced reversals in the decision to move or eliminate football programs.<sup>75</sup>

<sup>74</sup> See discussion of Division I-AAA for details.

<sup>75</sup> The most visible recent example of this was Tulane’s decision to remain in Division I-A and attempt to reform intercollegiate athletics, instead of moving to a different NCAA division.



## SUMMARY OF IMPLICATIONS: DIVISION I-AA

Description	
<ul style="list-style-type: none"> <li>Reduce academic impact of intercollegiate athletics by moving to a less competitive football division, e.g., Patriot or Pioneer Leagues</li> <li>Retain same/similar competitive level for remaining teams; potentially stay in C-USA for sports other than football</li> <li>Potentially (through conference choices) facilitate academic and admissions improvements</li> </ul>	
Measurement of core tradeoffs	
Philosophy of competition	Beliefs driving decision
<p>Compete for national recognition and exposure</p> <p>Compete for the institution and the game</p>	<ul style="list-style-type: none"> <li>Value of national recognition generated by "big time" football, at the level Rice can compete, is minimal</li> <li>Rice and some top-tier athletic competition (outside of football) are compatible; in particular, participation in Division I baseball competition is feasible</li> </ul>
Athletes	
<p>Driven to be competitive in sports</p> <p>Driven by academic success</p>	<ul style="list-style-type: none"> <li>The commitment (time/focus) required of top athletes, as reinforced by scholarships, is worth the trade-offs in educational and social experiences</li> <li>Improvements can be made to drive better integration of athletes into the student life of Rice</li> </ul>
Other constituents	
<p>Support for the broad tradition of the university is focus</p> <p>Support for the academic mission of the university is focus</p>	<ul style="list-style-type: none"> <li>Admissions and recruiting can be modified to address faculty concerns about the commitment, intent, and preparedness of athletes</li> <li>Joining the Patriot League potentially creates a non/minimal scholarship environment much like the Ivy League</li> <li>Reducing the division level of football eases the admissions and academic trade-offs required to field competitive teams</li> </ul>
Peer and conference "neighborhood"	
<p>Purely regional or athletic peers</p> <p>Purely traditional and/or academic peers</p>	<ul style="list-style-type: none"> <li>Competition with traditional rivals should be traded either for football economics (Southland conference) or the ability to compete with closer academic peer institutions (Patriot League)</li> <li>Patriot League, although now allowing scholarships, could enable an approach more like the Ivy League, but with the downside of significant travel (no regional competitors in its membership)</li> </ul>
Economics	
<p>Significant investment, driven by need to compete</p> <p>Less investment, driven by different focus</p>	<ul style="list-style-type: none"> <li>Investment is key to future success in basketball – either investments must be made or less success must be accepted</li> <li>Net savings are unlikely to be significant as cost reductions are outweighed by substantial lost football revenue</li> </ul>

3

### Drop football and move to Division I-AAA

The option of Division I-AAA is centered on dropping football and presumes that the significant and acute trade-offs Rice faces participating in Division I athletics can be mitigated by no longer participating in the sport. There is a basis to believe this as other schools have realized substantial benefits from dropping football, as exemplified by the experience of California State – Fullerton:

**Almost 10 years after eliminating its football program, Cal State-Fullerton's financial situation has improved greatly for coaches of the remaining sports. The school has not lost money on athletics for at least four years [and has finally] achieved solvency.<sup>76</sup>**

<sup>76</sup> Elliott Almond, "One School's Solution: Fullerton Thriving Without Football, Program Was Punted in 1992 to Save Money," *San Jose Mercury News*, 23 November 2001.

## DIVISION I-AAA MEMBERSHIP CRITERIA

Comparison with Division I-A

**Minimum varsity teams required\***

<b>Men's</b>	6	7	• 14 teams total
<b>Women's</b>	8	or 7	
<b>Either</b>	0	0	

**Athletic financial aid**

- **Number of grants:**
  - Currently use more than 1/3 of scholarships allowed in each of 14 sports, with at least 7 women's sports > 1/2 allowable athletes on scholarship
  - At least 35 full grants, exclusive of basketball
- **Total expenditure on grants:** At least \$825,000 with at least \$412,500 in women's grants

**Level of competition**

- **Basketball:** Only 4 non-Division I opponents allowed
- **All other sports:** All competition against Division I opponents

**Paid attendance**

- None

**Key differences from Division I-A**

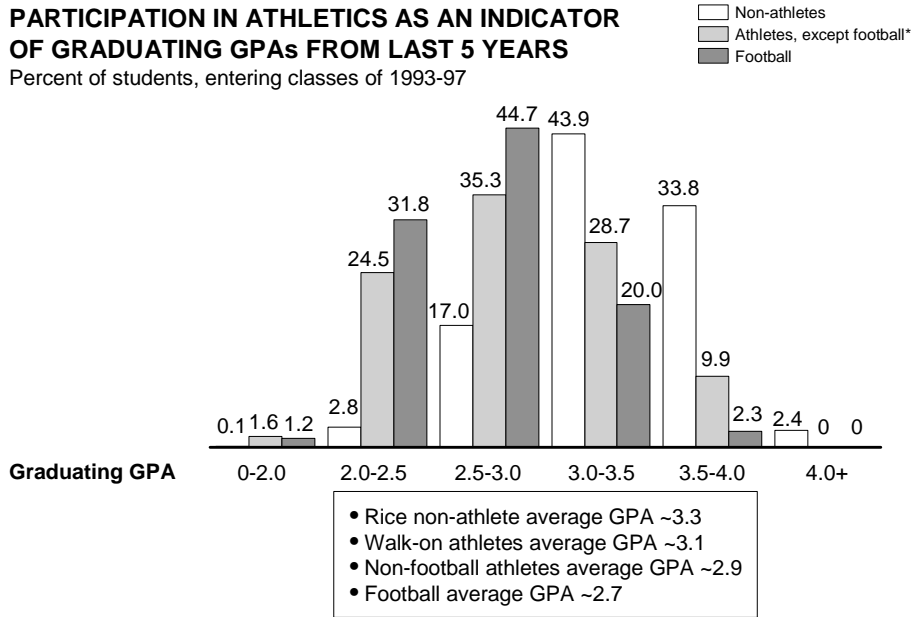
- 2 fewer (14) total teams required
- No football team allowed
- No 200 grant minimum
- No football grant minimums
- Only 35 full grants outside of basketball required
- No football related requirements (no Division I-AAA schools have football)
- No attendance requirements

\* Each playing season must be represented by each gender  
Source: NCAA Division I, II, and III manuals

The impact of football at Rice is extensive and in many ways is tied to the current state of competition in the sport. The size of the 85-person football team, required because of highly specialized positions, means that its athletes collectively have the largest single impact on Rice of any sports team. Football yields the largest net financial loss of any Rice sport. Though other metrics (SAT and GPA) are only marginally worse for football than baseball and men's basketball, the sheer size of the football program dramatically compounds the difference. This can be seen in the distribution of graduating GPAs of football players versus all other athletes.

**PARTICIPATION IN ATHLETICS AS AN INDICATOR OF GRADUATING GPAs FROM LAST 5 YEARS**

Percent of students, entering classes of 1993-97



\* Excludes walk-on athletes (72), total number of participating athletes over five entering classes was 277 (with 85 football players, 192 non-football); total number of non-participants was 2,834 (includes walk-ons)

Source: Rice University enrollment data

Also, as discussed under **Option (1): Remain in Division I-A, but aggressively work to improve top-tier sports locally and nationally**, football is on the front lines of the college sports “arms race.” If intercollegiate athletics cannot be reformed nationally, Rice, with its high academic standards, will face ever-increasing difficulty attempting to excel in football.

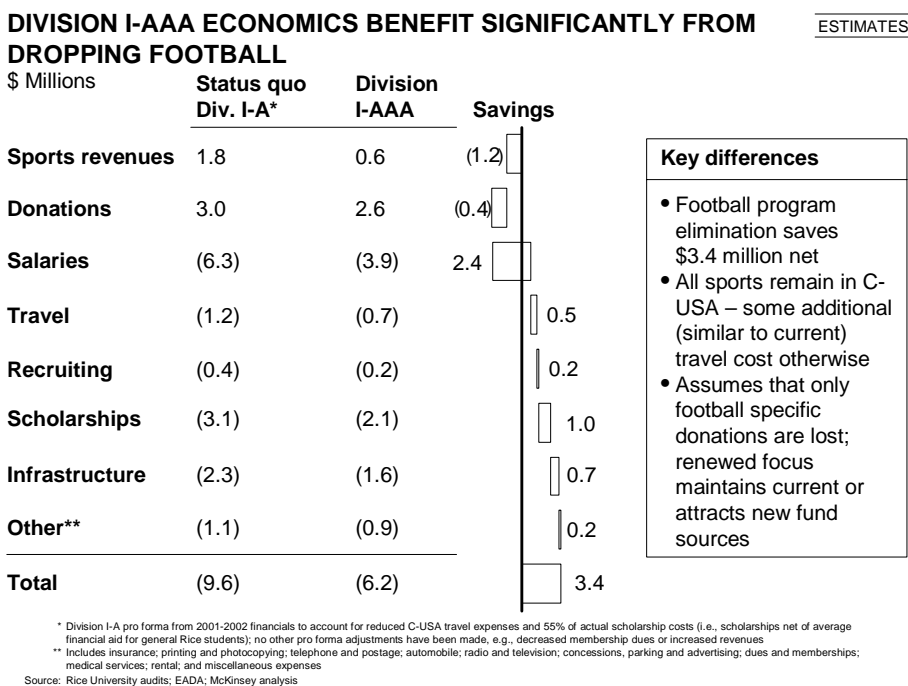
A move to Division I-AAA, much like Division I-AA, is not without a number of serious implications. The risk to the agreement with C-USA, for example, is exactly the same, and the conference options outside of C-USA are still problematic. The reaction of alumni, boosters, and other supporters of the University is also likely to be very similar, with a particularly strong, public outcry against eliminating years of tradition surrounding Rice football.

In the past 20 years, 20 Division I schools discontinued football programs citing poor athletic performance, financial difficulties, gender equity issues, and greater investment in non-football sports as the main reasons behind their decisions.<sup>77</sup> Four of these schools were in Division I-A: University of the Pacific (California), California State – Fullerton, University of California – Santa Barbara, and California State – Long Beach. After dropping football, Fullerton was able to focus more on their basketball and baseball teams. Long Beach State was able to add women’s soccer and women’s lacrosse. At the schools that did not resume the sport, ending football programs significantly improved these schools’ solvency; coach, athlete, and student satisfaction; and remaining sports’ competitiveness.

77 The vast majority of these schools were Division I-AA.

Nonetheless, testifying to the power of constituent interest, five (all originally Division I-AA) of the 20 Division-I schools that dropped football resumed programs generally within two years.<sup>78</sup> One of these five, Siena College, testifies to the recurring issue football can become. After dropping football in 1996, Siena resumed the sport after only 1 month, but in January 2004 Siena again announced it would drop its football program.

Significant benefits exist in moving to I-AAA versus I-AA. To begin with, the upheaval within the Athletic Department is much more straightforward, since football staff are faced with a much clearer choice. Football athletes will not lose any eligibility should they choose to transfer schools (due to NCAA rules which provide an exception for dropped sports). Finally, the economic picture for participation in Division I-AAA is also much better, because eliminated expenses far outweigh lost ticket revenue.



This estimate assumes C-USA travel expenses for Rice’s remaining teams. Even if Rice were forced to remain in a conference with WAC-like travel expenses, the estimated cost savings would still be \$3.0-3.1 million. The actual travel expenses will, of course, be conference independent. Note that this estimate is only for recurring annual savings and does not account for the costs of transitioning to a new division. Contract termination fees could be significant one-time costs.<sup>79</sup> The

78 The five colleges are Siena College, Prairie View A&M University, St. Peter’s College, Drake University, and Southeastern Louisiana University.

79 The athletic director and the head coaches of baseball, football, soccer, women’s track and field, women’s basketball, and men’s basketball are the only staff members of the Athletic Department that currently have multi-

estimate also does not include capital investments. It also assumes that, while there might be some decrease in contributions as a result of dropping football, a significant part of this might be recovered with renewed focus on other teams.

Moving to I-AAA, then, dramatically transforms Rice athletics by eliminating the sports program that requires the most admissions trade-offs and is the single largest contributor to the economic deficit. The move would result in substantial cost savings and improve quantitative metrics such as SAT scores and graduating GPAs, but will not completely eliminate all of the tensions between athletics and academics at Rice. I-AAA should be viewed as an opportunity to bow out of the football “arms race,” build more competitive teams in other sports, and actively work to achieve broad athletic excellence on par with Rice’s academic reputation (through many of the suggestions already mentioned in **Option (1): Remain in Division I-A, but aggressively work to change top-tier sports locally and nationally**). With the quality of Rice basketball growing, and with the ability to focus both facilities investments and media support, Rice could potentially join a number of schools that generate national interest in their athletics programs through sports other than football.<sup>80</sup>

*Detailed implications for Rice constituents: moving to Division I-AAA*

¶ **Athletes.**

- a. Transferring football players would not lose any athletic eligibility at other schools.
- b. Like I-AA, other schools that have dropped football have worked both to make the players who stayed financially whole and to actively seek new competitive “homes” for those who chose to leave.
- c. The football team in particular is likely to react negatively during its remaining time. At Boston University, for example, after such an announcement, the players refused to wear normal uniforms and instead wore uniforms emblazoned with “University X.” In contrast, there are also many examples of students staying on for the final season, and staying to graduate because they valued the educational experience more than the potential to participate in “big time” sports.

year employment contracts. The head football coach has a contract that was recently extended to June 30, 2010 while all other head coaches have contracts that are typically five years in length. If a conference change were to occur and contracts with certain coaches were terminated, there would be some cost associated with the remaining obligation of these contracts.

<sup>80</sup> Basketball is far easier to manage in terms of sheer numbers of athletes, specialization, and cost. With last year’s national championship, Rice, of course, has a sizable advantage sustaining and growing its baseball program.

- d. There may be an opportunity to celebrate the sport in its final season with great fanfare, creating significant positive attention.

¶ **Other Rice students.**

- a. At some other schools that dropped football, the students who were enthusiastic about sports just shifted their focus. For example, at Long Beach State, students with “shirts off, faces painted ... [were] whooping it up at a women’s volleyball match.”<sup>81</sup>
- b. It is impossible to predict what the actual reaction to dropping football at Rice will be. The best that can be done is to look at schools who have made similar changes in the past; the reaction of Rice students will likely be somewhat different.
- c. As with I-AA, dropping football may affect the attractiveness of Rice to prospective students, but this is likely minimal because the common perception appears to be that most students do not choose Rice for its Division I-A football team.
- d. There may be an opportunity to celebrate the sport in its final season with great fanfare, creating significant positive attention.

¶ **Coaches and Athletic Department staff.**

- a. Dropping football would obviously impact the football coaching staff and, like I-AA, there would be contract implications associated with those staff leaving Rice.
- b. At other schools where football has been dropped, coaching staff expressed that they have been able to “forget about fundraising and just coach.”<sup>82</sup>
- c. There will likely need to be an active process to help football players. At California State – Fullerton, coaches immediately began showing other schools films and encouraging them to talk to players. The coach said that 35 to 40 players, a majority of the team, were offered transfers elsewhere.

¶ **Faculty.** There is a belief among some faculty that participants in non-high-profile sports (i.e., not football, basketball, or baseball) have greater interest in the academics at Rice. Since the remaining sports, including

81 Mark Zeigler and Ed Graney, “Life after Football: Long Beach State and Cal State Fullerton Felt the Pressures, Dropped the Sport and Have No Regrets,” *The San Diego Union-Tribune*, 12 November 2001.

82 Elliott Almond, “One School’s Solution: Fullerton Thriving Without Football, Program Was Punted in 1992 to Save Money,” *San Jose Mercury News*, 23 November 2001.

basketball and baseball, would still be scholarship, there will likely still be faculty members who believe this does not go far enough.

¶ **Administrators.**

- a. I-AAA eases many of the financial pressures of the athletics program.
- b. Dropping football at many schools eases Title IX concerns by eliminating a men's sport with a large number of players.

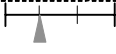
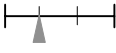



¶ **Alumni and other Rice supporters.**

- a. After dropping football and its associated tradition of homecoming, some schools have had challenges getting alumni to come back to campus.
- b. At least one school, Siena College, decided after less than two weeks to pick football back up due to an outcry from players and alumni. (Although Siena College subsequently dropped football again.)
- c. Alumni at another school, Long Beach State, were quoted as saying, "you wake up on Saturday and there is no game, no tailgating, no reunions — none of what you should have in a college atmosphere. It's like when your mom dies and you think about her, but you can't call her anymore."<sup>83</sup> The school also claims it lost 60 percent of its donations to the athletics department.

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83 Tom Shanahan, "SDSU Football's Goal: Survive," *The San Diego Union-Tribune*, 14 September 2002.

## SUMMARY OF IMPLICATIONS: DIVISION I-AAA

<b>Description</b>	<ul style="list-style-type: none"> <li>Eliminate football program (as a varsity sport) for economics and academics</li> <li>Retain same/similar competitive level for remaining teams</li> <li>Remain in C-USA, if possible, as non-football member</li> </ul>	
	<b>Measurement of core tradeoffs</b>	<b>Beliefs driving decision</b>
<b>Philosophy of competition</b>	Compete for national recognition and exposure  Compete for the institution and the game	<ul style="list-style-type: none"> <li>Rice and some top-tier athletic competition are compatible</li> <li>Rice can maintain national prominence in other sports (e.g., Division I baseball) without a football program</li> </ul>
<b>Athletes</b>	Driven to be competitive in sports  Driven to academic success	<ul style="list-style-type: none"> <li>The commitment (time/focus) required of top athletes, as reinforced by scholarships, is worth the trade-offs in educational and social experience</li> <li>Improvements can be made to drive better integration of athletes into the student life of Rice.</li> </ul>
<b>Other constituents</b>	Support for the broad tradition of the university is focus  Support for the academic mission of the university is focus	<ul style="list-style-type: none"> <li>Admissions and recruiting can be modified to address faculty concerns about the commitment, intent, and preparedness of athletes</li> <li>Fewer admission trade-offs are necessary without the numbers and specialization of football admits</li> <li>Football is not an inextricable part of Rice University tradition</li> </ul>
<b>Peer and conference "neighborhood"</b>	Purely regional or athletic peers  Purely traditional and/or academic peers	<ul style="list-style-type: none"> <li>C-USA will allow Rice to compete without football</li> <li>Rice, at least in the short-term, will benefit from the broad national association with C-USA and its institutions</li> <li>Rebirth of traditional, regional rivalries is beneficial to the University and can serve as a common link for diverse constituents</li> </ul>
<b>Economics</b>	Significant investment, driven by need to compete  Less investment, driven by different focus	<ul style="list-style-type: none"> <li>Elimination of football will eliminate significant costs or allow reinvestment in other sports</li> <li>Investment is key to future success in basketball – either investments must be made or less success must be accepted</li> <li>It is unlikely, but at least possible that Rice athletics could break even, net of grants-in-aid</li> </ul>

4

### Move to Division III and potentially join the University Athletic Association (UAA)

The Division III philosophy is that intercollegiate athletics are purely supplemental to college education. Moving the Rice athletics program to Division III (with or without football) would be based on the decision that the competitive demands and economic realities of Division I are incompatible with Rice's academic mission. Such a move would involve a wholesale change in the way athletics work at Rice, but it is not without precedent. Many of Rice's academic peers are in Division III in the UAA, which is a conference dedicated to building athletic relationships among academic peers, and has also been extraordinarily successful in most Division III sports. Rice has a standing invitation to join this conference.



## DIVISION III MEMBERSHIP CRITERIA

Comparison with Division I-A

Minimum varsity teams required*	Men's	5	• 10 teams total
	Women's	5	
	Either	0	

Athletic financial aid	• Not allowed
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Level of competition	• None
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Paid attendance	• None
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### Key differences from Division I-A

- 6 fewer teams (10, 5 of each) required
- No requirement for football team
- Athletic scholarships not allowed
- No restrictions on competition or scheduling
- Typically play only other NCAA (i.e., not NAIA) teams
- No attendance requirements

\* Each playing season must be represented by each gender  
Source: NCAA Division I, II, and III manuals

The issues and problematic aspects of Division I athletics overall are well documented in books such as *The Game of Life, Beer and Circus*, and *Unpaid Professionals*. The issues are also poignantly raised in the questions of a former athlete posed in a letter to Tulane University's President:

**Dr. Cowen, as a former athlete at Tulane University, I have a special interest in this particular "athletic question." Although one might expect a former athlete to pull for the enhancement of the athletics program, I can safely say that I have looked critically at the present situation at Tulane, and have formed a different conclusion. While I fully support (huge) athletics programs at other schools, especially state/public schools, I do not see a need for athletics here at Tulane. Not only does the admission of these sub-standard students into the University diminish Tulane's reputation and atmosphere as a higher learning institution, but it is not the best place for athletes to be (for various reasons including the student populace/faculty attitude towards the athletes and the lack of proper funding available to the athletes). I have numerous stories of athletes here at Tulane that blatantly disregard the value of their education and the code of honor that one hopes by which all students would abide.<sup>84</sup>**

84 Tulane University ex-athlete, Letter to Scott Cowen, President of Tulane University, 21 April 2003.

**UNIVERSITY ATHLETIC ASSOCIATION MEMBERS AND SPORTS SPONSORED**

Members	Men's sports	Women's sports
<ul style="list-style-type: none"> <li>• Brandeis University</li> <li>• Carnegie Mellon University</li> <li>• Case Western Reserve University</li> <li>• University of Chicago</li> <li>• Emory University</li> <li>• New York University</li> <li>• University of Rochester</li> <li>• Washington University (Missouri)</li> </ul>	<ul style="list-style-type: none"> <li>• Football*</li> <li>• Baseball</li> <li>• Basketball</li> <li>• Cross country</li> <li>• Fencing**</li> <li>• Golf</li> <li>• Soccer</li> <li>• Swimming</li> <li>• Tennis</li> <li>• Indoor track</li> <li>• Outdoor track</li> <li>• Wrestling***</li> </ul>	<ul style="list-style-type: none"> <li>• Basketball</li> <li>• Cross country</li> <li>• Fencing**</li> <li>• Soccer</li> <li>• Softball</li> <li>• Swimming</li> <li>• Tennis</li> <li>• Indoor track</li> <li>• Outdoor track</li> <li>• Volleyball</li> </ul>

\* Only 4 schools play football: Carnegie Mellon, Case Western Reserve, Chicago, and Washington University  
 \*\* Only 3 schools have fencing teams: Brandeis, Case Western Reserve, and NYU  
 \*\*\* Only 3 schools have wrestling teams: Case Western Reserve, Chicago, and NYU  
 Note: All other sports are sponsored by 5 or more members  
 Source: University Athletic Association

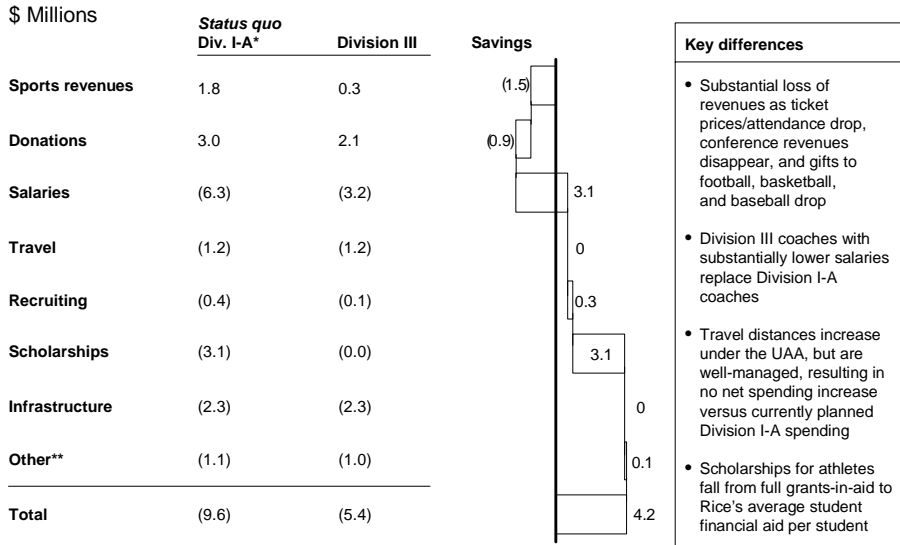
The idea that athletes should not be a different cohort than the other students at a university underpins Division III. As a result, Division III is in some ways a league of walk-ons (though there is very active recruiting of athletes, especially in the UAA). The key difference versus Division I and II is that all athletes must be admitted to the university through the standard application process, and athletic ability is considered as only one component of an applicant's qualifications. There are no separate applications for athletes, and athletes are truly peers of non-athletes. As would be expected, there are drawbacks to the division, including difficulty fielding teams (open tryouts are even held at most schools in order to fill out teams), schools potentially losing the highest caliber athletes to Division I programs, coaches working through practices with team members absent for academic reasons, and the continual threat of star players leaving sport programs to focus on academic pursuits.

## THE UAA IS A FUNDAMENTALLY DIFFERENT MODEL FOR INTERCOLLEGIATE COMPETITION

	Approach	Drawbacks
Goals of competition	<ul style="list-style-type: none"> <li>• UAA – creates a completely different environment playing academic peers/nationally known schools</li> <li>• Completely different than participation in a regional conference - Dual benefit of being associated with top universities who have similar approaches to athletics</li> <li>• Collegiate athletics is typically just one component of a strong school: for example, at the University of Chicago, 80-90% of students play some level of sport</li> </ul>	<ul style="list-style-type: none"> <li>• Some sports are difficult to support (football)</li> </ul>
Recruiting and admissions	<ul style="list-style-type: none"> <li>• Athletes are admitted through the same process as everyone else</li> <li>• Nature of the UAA actually drives athletic excellence – dual attraction for athletes at this level who are not looking for a professional experience, but are both talented academically and committed athletically; UAA has nationally competitive teams in Division III</li> <li>• Requires significant effort recruiting – recruit nationally, but recruit students to the University not to the athletics programs</li> </ul>	<ul style="list-style-type: none"> <li>• No scholarships means that some top athletes may choose to go elsewhere</li> </ul>
Academics	<ul style="list-style-type: none"> <li>• Faculty relationship with athletes is usually strong, since athletes are actually more likely to be committed, focused, and good at managing their workload</li> <li>• Academics always takes precedent – coaches regularly practice without a full squad</li> </ul>	<ul style="list-style-type: none"> <li>• Lots of turnover on teams; only 50-60% of varsity athletes are still playing at graduation</li> </ul>
Economics	<ul style="list-style-type: none"> <li>• UAA schools are willing to invest in order to compete with nationally known, academic peer institutions; but manage travel burden creatively (e.g., round-robin tournaments)</li> </ul>	<ul style="list-style-type: none"> <li>• Higher than average travel costs</li> </ul>

Like the nature of competition, the economics of Division III are also different. Most Division III head coaches are paid about what first-year assistants in Division I-A make (approximately \$35,000 to \$50,000 per year), and many Division III assistants are part-time. Unburdened by top-tier coaching salaries and the necessity of providing full scholarships to most athletes, potential cost savings would be substantial for Rice and large enough to outweigh the virtual elimination of ticket revenues and a steep, medium- to long-term reduction in donations.

**SALARY REDUCTIONS AND SCHOLARSHIP COST DECREASES** ESTIMATES  
**DRIVE DIVISION III ECONOMIC BENEFITS**



\* Division I-A pro forma from 2001-2002 financials to account for reduced C-USA travel expenses and 55% of actual scholarship costs (i.e., scholarships net of average financial aid for general Rice students); no other pro forma adjustments have been made, e.g., decreased membership dues or increased revenues  
 \*\* Includes insurance; printing and photocopying; telephone and postage; automobile; radio and television; concessions, parking and advertising; dues and memberships; medical services; rental; and miscellaneous expenses  
 Source: Rice University audits; EADA; McKinsey analysis

This estimate is only for recurring annual savings and does not account for the costs of transitioning to a new division, the most notable of which would be contract termination fees.<sup>85</sup> The estimate also excludes capital costs, although these would likely be less for Division III—versus any of the Division I options (which have fairly similar capital implications to each other). Estimates also assume that the move to Division III would attract contributions to athletics (probably from a different set of donors, as is the case at other Division III schools) to replace some of the contributions made today. Finally, the cost estimates above imply an annual cost that is at the very upper end of the costs that most Division III schools face. Most Division III programs require approximately \$3-4 million annually and field significantly more sports than Rice does currently.

Relative to other options for Rice, moving to Division III represents a more significant change of philosophy; it is not a coincidence that many Division III schools are small, liberal arts colleges. Still, the Division III universities in the UAA are, on many dimensions, close peers to Rice. Interviews with administrators at the schools echoed a common sentiment: that moving to the UAA was, from an athletics standpoint, the best choice the schools ever made for their students.

85 The athletic director and the head coaches of baseball, football, soccer, women's track and field, women's basketball, and men's basketball are the only staff members of the Athletic Department that currently have multi-year employment contracts. The head football coach has a contract that was recently extended to June 30, 2010 while all other head coaches have contracts that are typically five years in length. If a conference change were to occur and contracts with certain coaches were terminated, there would be some cost associated with the remaining obligation of these contracts.

*Detailed implications for Rice constituents: moving to Division III*

¶ **Athletes.**

- a. Many, if not most, current athletes would leave Rice, but they would suffer no loss of eligibility to compete elsewhere. All sports, including Rice's national championship baseball team, would be required to move to Division III.
- b. Incoming athletes, because they must be admitted competitively as students, would have academic and other characteristics that are more similar to the broader Rice undergraduate population (e.g., high school GPAs, SATs, backgrounds, aspirations). Most UAA schools indicate that athletes are indistinguishable from other admits.
- c. Athlete academic performance is likely to improve dramatically: in 2002-2003, the average male athlete GPA in the UAA was 3.18 versus 3.24 for all males. For female athletes, the average GPA was actually higher at 3.35 versus 3.33 for all women. Even the average football player GPA, while lower, was fairly representative at 3.06. This compares at Rice to averages of 2.53 for male athletes (2.97 for all males), 2.75 for female athletes (3.09 for all females), and 2.51 for football players.<sup>86</sup>
- d. The competitive level would change, but the UAA is among the most competitive conferences in Division III (except in football where only four schools play, implying several non-conference games would be necessary).
- e. Travel would, for the UAA option, be no more than current WAC levels – the schools in the UAA are more dispersed than they would be in C-USA, however, the league takes great pains to limit costs (women's and men's teams travel together, round robin tournaments replace home and away competition etc.)
- f. There would be significantly less time pressure on athletes, and the ability to stop playing with no jeopardy to financial aid would exist. At UAA schools, only 50 to 60 percent of athletes still play sports as seniors.
- g. With a requirement to compete in only 10 sports, Rice could reassess the slate of athletic offerings at the school.

<sup>86</sup> Graduating GPAs, 1993-1997 entering classes. GPAs normalized from Rice's 4.33 scale to a 4.00 scale for comparability.

¶ **Other Rice students.**

- a. The applicant pool will become more homogeneous—and not merely because the athlete application process will be eliminated. Students and administrators often talk about the school’s “geek” reputation and fear that eliminating Division I sport makes Rice even less mainstream, and less attractive to students who want a broad set of experiences.
- b. Athletics will become more similar to other extracurricular activities (e.g., drama, music).
- c. Rice students, however, are unlikely to be negatively affected by the peer group (as they might in Division II) since the Division III members of the UAA are more similar to Rice in academic terms than members of C-USA.
- d. Association with the UAA would change the perception of the University, but the impact on potential students may actually be positive due to the consistent message and the association with top-tier universities.

¶ **Coaches and Athletic Department staff.**

- a. Nearly all current coaches and staff would probably leave, and the University would need to honor some portion of the remaining employment contracts.
- b. A new coaching staff would need to be hired with a very different focus than the previous one (the academic mission of the University, in the context of Division III, will always take precedence).
- c. Recruiting requires extensive effort in Division III. Everyone is after the same people, there are no limitations on when and how much recruiting can be done, and finding a player with the right mix of talent and academic qualifications is extraordinarily difficult. Also, because athletes can choose to stop playing (no scholarships), the teams must field deeper benches.
- d. Coaches recruit as much for the school as they do for its athletics programs, which is a dual benefit.

¶ **Faculty.**

- a. This would create the best possible outcome for many faculty members who are concerned with the nature of athletics at Rice.

Many faculty (as well as a number of other organizations) point to the UAA as a model for what intercollegiate athletics should be.

- b. Other faculty, who believe Division I adds an important cultural element and an opportunity for students to excel, will be disappointed.

¶ **Administrators.** Division III, even with some fairly significant travel costs, results in large savings versus the current level of investment. Many aspects of the athletics program can be eliminated or integrated into the University administration.

¶ **Alumni and other Rice supporters.**

- a. The move would likely cause athletic donations to fall dramatically.
- b. Over time, however, the University is likely to rebuild some athletics donations as ex-athletes, graduated under the new division identity, begin to think about supporting Rice.
- c. Public outcry of many constituents is very likely with even the suggestion of a move to Division III. By many accounts, when Tulane broached the topic, the furor that resulted steered the board away from the decision to move to Division III. The athletic department launched a counter campaign to sell season tickets and rally alumni and boosters around the program. It was believed that, although the necessary board votes were there to make a change, the board would have been rendered ungovernable. The ultimate decision (in the interim, the board put the Athletics Department on a tighter budget) to move to Division III may still be made when Tulane reviews the issues in 2005.

## SUMMARY OF IMPLICATIONS: DIVISION III

Description	<ul style="list-style-type: none"> <li>• Move all sports to Division III</li> <li>• Eliminate scholarships and admit all students on academic merit</li> <li>• Compete in a unique conference of academic peers (the UAA); alternatively compete in a regional conference</li> </ul>	
	<b>Measurement of core tradeoffs</b>	
<b>Philosophy of competition</b>	Compete for national recognition and exposure	Compete for the institution and the game <ul style="list-style-type: none"> <li>• Fundamentally different environment, where competition is for the participants, not for the spectators</li> <li>• Athletics becomes one of many activities at Rice</li> <li>• Nationally ranked, top tier competition, even in baseball, is unimportant</li> </ul>
<b>Athletes</b>	Driven to be competitive in sports	Driven by academic success <ul style="list-style-type: none"> <li>• Athletes will be treated and perceived no differently than students who focus on other intense activities within the context of the university</li> <li>• Athletes will get the same "Rice experience"</li> <li>• Athletes will always choose (rather than be pressured) to compete; likely only 50-60% will still be playing varsity athletics by their senior year</li> </ul>
<b>Other constituents</b>	Support for the broad tradition of the university is focus	Support for the academic mission of the university is focus <ul style="list-style-type: none"> <li>• All students will be admitted on their academic merits</li> <li>• Athletic recruiting will become a year round affair – the fundamental goal is to find good Rice students first and good athletes second</li> <li>• Alumni, boosters, and friends of the university are willing to accept a very different model and give up the Rice athletics tradition as it was</li> </ul>
<b>Peer and conference "neighborhood"</b>	Purely regional or athletic peers	Purely traditional and/or academic peers <ul style="list-style-type: none"> <li>• The UAA creates an attractive, albeit less competitive, environment for Rice to compete in</li> <li>• The association with the UAA creates both athletic and academic/admissions benefits</li> </ul>
<b>Economics</b>	Significant investment, driven by need to compete	Less investment, driven by different focus <ul style="list-style-type: none"> <li>• Moving to Division III results in substantial savings, primarily from decreased coaching salaries and complete lack of athletic scholarships</li> <li>• Recruiting and travel expenses increase slightly, to support a 12-month recruiting calendar and a more geographically disperse conference</li> </ul>

## SUMMARY OF OPTIONS AND DECISION PROCESS

### RELATIVE ECONOMICS SUMMARY

\$ millions

Starting point in estimates

	Current I-A**	C-USA	I-AA	I-AAA	III
<b>Core revenues</b>	1.8	1.8	1.0	0.6	0.3
<b>Donations</b>	3.0	3.0	3.0	2.6	2.1
<b>Salaries</b>	(6.3)	(6.3)	(5.7)	(3.9)	(3.2)
<b>Travel</b>	(1.7)	(1.2)	(1.7)	(0.7)	(1.2)
<b>Recruiting</b>	(0.4)	(0.4)	(0.2)	(0.2)	(0.1)
<b>Scholarships</b>	(3.1)	(3.1)	(3.1)	(2.1)	-
<b>Infrastructure</b>	(2.3)	(2.3)	(2.3)	(1.6)	(2.3)
<b>Other (net)*</b>	(1.1)	(1.1)	(0.9)	(0.9)	(1.0)
<b>Overall Deficit</b>	<u>(10.1)</u>	<u>(9.6)</u>	<u>(9.9)</u>	<u>(6.2)</u>	<u>(5.4)</u>

\* Includes net of additional revenue and expense items

\*\* Based on 2002 NCAA Audit

Source: Rice University ; NCAA audits

These analyses of the four viable options attempt to outline the implications key stakeholders would face from potential changes to the athletics program. Each



option has its pros and cons, and each option offers some opportunity to address underlying, recurring issues. The chart below summarizes some of the key aspects of each option.

As discussed in the introduction, in characterizing these options, each was treated as a final state. While it is theoretically possible for one or more to be used as transition states to “test the water” or spread change over time, any of these transitions will be met with significant debate and controversy. Given that, it seems that every effort should be made to make a single, committed change to the best answer.

Although the viable options were discussed in rough order from least change to most, they should not necessarily be considered in that order. Instead, it is helpful to revisit the four fundamental questions listed at the beginning of this report and the beginning of this chapter.

### SUMMARY OF VIABLE OPTIONS

Option	Internal efforts at reform	Financial savings	Program focus/ intensity			National leader in reform	Conference/ peer option	Reduction of admission trade-offs*	
			Football	Baseball	Bsk'ball				
1 Improve the status quo (I-A)	• Important	• None: more investment required	●	◐	◐	• Strong example	• C-USA	○	
2 I-AA	• Desirable	• Negligible	◐	◐	◐	• Joining the list that have "given up" on Division I-A	• Ideally C-USA, otherwise no good fit	◐	
3 I-AAA	• Desirable; could build basketball / rec. center	• Significant (\$3.4 million annually**,***)	○	●	●			◐	
4 III	• Integral	• Significant (\$4.2 million annually***)	○	○	○			• UAA	●

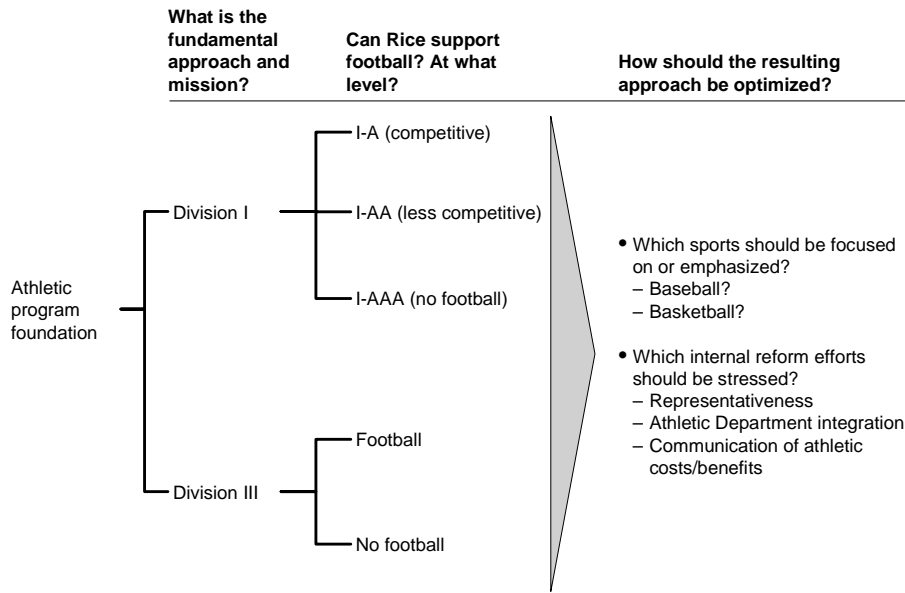
\* Between athletes and non-athletes  
 \*\* Assumes Rice remains in C-USA; \$3.6 million annual savings if this were not the case  
 \*\*\* Does not include transition costs, such as terminating existing employment contracts

1. What kind of intercollegiate athletics program does Rice want to have given the balance of educational, research, and competitive goals of the University?
2. How possible is it to achieve a quality program with those characteristics, in the context of Rice’s traditions, constituents, and size?
3. How will success be defined for the athletics program?

4. How willing is Rice to invest the time and money and make the admissions trade-offs required for the program to be an overwhelming success and source of pride?

Given these questions, it is helpful to frame the first decision as choosing between Division I and Division III, and then to move on with further choices:

**FRAMING THE FUNDAMENTAL QUESTIONS ABOUT ATHLETICS AT RICE**



This framework prioritizes the larger questions of academic-athletic mission compatibility and how Rice values the various components of a “full” education, before moving on to the requisite questions pertaining to individual sports or economic optimization.

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