



A New Day in Athletics: Covering Your Bases

Now that the NCAA's veneer of amateurism in college athletics has been unceremoniously stripped away, the role of Athletics at colleges and universities across the country is no longer as clear and straightforward as it once was. As schools work to recalibrate, rapid fire changes are challenging long-held assumptions, stressing models of financial support, and requiring difficult decisions—often high profile and controversial ones.

“...the potential elimination of as many as 25,000 roster spots in Division I athletics...will eventually filter down to Division II and Division III athletics, as well as junior college sports.”

-Sports Illustrated, December 2024

Generally speaking, no other aspect of an institution is as visible as athletics, the proverbial “front door” to many campuses. For stakeholders from students to alumni to Board Members, college athletics is a passionate linchpin of their higher education experience. However, even in the best of times, this paradigm can serve as a point of tension when limited resources are perceived by some as going disproportionately to athletics as opposed to the core academic mission of an institution. But in the current wild west environment of athletics, it can introduce new financial, legal and reputational risks that must be managed deliberately and proactively.

WHAT YOU NEED TO KNOW

Over the past decade, there has been a growing push from student athletes and others—supported by federal judges, state legislators, and U.S. Supreme Court action—to more equitably distribute billions of dollars in revenue. This has laid the groundwork for a new, and often confusing, model in college athletics.

WHAT YOU NEED TO KNOW (CONTINUED)

Changes include:

- Permitting student-athletes to hire agents and monetize their Name, Image and Likeness (NIL)
- The opening of the transfer portal with athletes having access to immediate eligibility
- A tentative agreement to pay former athletes upwards of \$2.8 billion
- A dramatic realignment of athletics conferences
- The House v. NCAA settlement, which:
 - Lifts the cap on tuition and removes the prohibition on paying student athletes directly—allowing up to \$20.5 million/year
 - Introduces new--and lower--caps on roster size
- Ongoing efforts, perhaps hampered but not totally stalled by the Trump administration, to designate student athletes as employees, giving them collective bargaining rights

Among all of this tumult, one thing is clear, more change is coming. And given that, it is imperative that Boards and administrators be aligned and future focused. Institutions that are proactive in the face of this change will be better prepared to position themselves, their athletic programs, and their student athletes for success.

WHAT YOU NEED TO DO

1: Establish a values framework

Before embarking on any program evaluation, it is important to ensure a shared understanding of the purpose of your athletics programs which, in light of recent and expected changes, may need a refresh and realignment. In our experience, institutions and their leaders face the most significant reputational risk when decisions run contrary to commonly shared expectations of stakeholders.

Agreeing on the appropriate role and future for Athletics is only possible if there is agreement around the core values that should guide the program in the first place. In many cases, students, Board Members,

faculty, and coaches define the value of athletics quite differently. Some view it as a driver for enrollment, brand awareness, and important for retaining alumni and donor support. Others see it as an expensive distraction from the core academic mission. Some value simply the opportunity given to students while others value competitive success. Squaring this circle is not easy, but with sufficient points of overlap, key shared values can typically be identified and defined.

2: Assess program by creating agreed-upon criteria

Once there is sufficient agreement around core values, the question then turns to evaluating the resources allocated across the department and the appropriateness of the institution's different sports offerings. Just as occurs on the academic side of the house, colleges and universities find it much easier to add programs than to remove them. Based on the agreed upon purpose and values of the athletic program, specific criteria and metrics must be developed to dispassionately and fairly evaluate the relative strengths of different programs and where resources should be focused across the entire department.

While this program assessment needs to be conducted confidentially, the decision-making process itself needs to be clear and unimpeachable to future proof any decisions, particularly if challenging, emotional decisions on reducing sports or cutting personnel need to be made. Examples of appropriate criteria might include:

- Competitiveness, including win-loss record
- Financial contribution (including multiple factors from program costs, net tuition revenue contribution, alumni/donor support and so on)
- Quality of the student-athlete experience
- Investments required to attain greater competitive excellence (facilities, required staff, recruitment)
- Conference requirements and options
- Continued legal compliance

WHAT YOU NEED TO DO (CONTINUED)

3: Define the Board's role

The line between the Administration's and the Board's responsibilities is often fluid, particularly so with Athletics, where Board Members often have a greater interest and seek a larger role in decisions. However, as fiduciaries of the institution, the Board should be involved in key decisions around athletics not because it is athletics per se but because athletics decisions often present significant financial implications as well as legal and reputational risk. Striking the appropriate balance between oversight and overreach is vital, and failing to do so can create significant internal dissension and reputational risk.

At a minimum, the Board should be fully briefed by the Athletic Director to increase understanding not only of the changes in the athletics environment and the resulting implications but around what options may be available. If significant changes appear required, consider creating a Board-led task force (or use an existing athletics sub-committee) to collaborate on developing the values framework as well as a program assessment rubric. With support for the parameters of any potential changes agreed, at the end of the day, decisions on the scope of the athletics program are appropriately that of the Athletic Director.

4: Communicate any changes clearly & credibly

However solid the framework and alignment on values and however persuasive the analysis of the relative merits of any decision made, a poor communications roll out risks creating significant distrust within the community and high levels of community, public, traditional media, and social media scrutiny.



5 QUESTIONS TO ASK YOUR TEAM

1. Is there alignment among key stakeholders (Board, alumni, faculty and students) of the value and mission of our athletics program?
2. When was the last time we conducted an analysis of our existing athletics program, its resources, and offerings?
3. What are the current and projected costs associated with recent developments and/or legal settlements?
4. What legal risks and compliance challenges do we face, and how are we mitigating them?
5. What is our long-term strategy for athletic program sustainability?

Key components of effective communications include:

- ✓ **Taking a Stakeholder-Centric Approach:** Focus on the information needs of those stakeholders most directly impacted by the decision, e.g. affected athletes, coaches and staff, and supporters. Ensure that mechanisms are in place to help students navigate their options regarding eligibility, transfer options and so on.
- ✓ **Bringing the Community Along:** Communicate clearly, honestly, and with compassion—leadership must be able to explain not just the “what” but the “why” of the decision, hence the earlier foundational steps. Provide detailed information and analysis, FAQs and backgrounders via a dedicated microsite.
- ✓ **Prepare for Criticism and Push Back:** For those directly impacted, the decisions made may be difficult to accept. Legal actions may be pursued, protests initiated, and campaigns launched. Focus on the “persuadables”—the majority of your community who can be brought along to understand the rationale for difficult decisions.

NEED SOME HELP?

We've been there

BMCG's team has worked with colleges and universities across the country to address significant crises and change within their athletic departments. From program closures and adjustments to Title IX issues, NCAA investigations, and significant behavioral/cultural issues within programs, our team has been in the trenches with schools in crisis for decades. We know what works, what doesn't, and how to prevent needlessly making the situation worse.

We'll help you prepare

Don't wait until the dust settles or when the financial implications force drastic change upon your school. Our team has developed an expedited workshop that can serve as the backbone of internal efforts to evaluate your athletics program, as well as the impact and consequences of any proposed changes.

ATHLETICS PLANNING WORKSHOP: KEEPING YOUR EYE ON THE BALL

Our workshop is designed to help leaders proactively coalesce around a shared understanding of the values that should guide decision-making regarding the future role of Athletics at your institution. The session is designed with three goals in mind:

- **Coalescing Around Shared Values:** By sharing institution-specific survey findings and facilitating discussion, we help your team align on key values.
- **Evaluating and Prioritize Key Metrics to Guide Decision-Making:** Every school will evaluate their institution's Athletic program differently, based on different values (from financial considerations, competitiveness, student experience etc.). With a structured approach, we help your team review and prioritize those metrics.
- **Positioning for Success:** review effective change management strategies in Athletics, including ensuring Board engagement, buy-in, and stakeholder-centric communications

ABOUT BMCG

BMCG is a boutique consulting firm focused on higher education. We provide insight, counsel, and experience to help colleges and universities effectively manage real-time response to significant change, issues, and crisis events. We also help institutions mitigate issues and avoid crises altogether through the development of proactive crisis management, crisis communications, emergency management and business resiliency plans, and by conducting training, exercises, and leadership sessions.

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