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## Effects of Upward Football Reclassification on Revenues, Football Attendance, and Enrollment

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Effects of Upward Football Reclassification on Revenues, Football Attendance, and Enrollment

A thesis submitted in partial fulfillment  
of the requirements for the degree of  
Master of Education in Recreation and Sport Management

by

Charles Bell  
University of Arkansas  
Bachelor of Science in Education, 2014

August 2017  
University of Arkansas

This thesis is approved for recommendation to the Graduate Council.

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## **Abstract**

With an ever increasing chasm between the have and have nots in college athletics, athletic directors and university administrators view reclassification as a way to increase financial standing and gain valuable exposure for their school despite mixed findings by recent studies. The process of reclassification costs schools sizable financial and labor investments detracting from their academic endeavors. The schools at the highest level of collegiate football competition enjoy constant national television exposure for their school resulting in many direct and indirect benefits. A repeated measures ANOVA was utilized to assess the change in athletic department revenues, student enrollment and football attendance over years one, four and eight of upward football reclassification to the Football Championship Subdivision and Football Bowl Subdivision. The results found that the sample schools realized significant increases in athletic department revenues and student enrollment. Modest increases were also measured in football attendance; however, the increases were not statistically significant. The discussion provides valuable insight for university administrators, college athletic administrators, alumni, students and other key stakeholders whose institution may be considering upward football reclassification.

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## **Dedication**

To my wife, Liz, for her countless hours of support through this process and our two children for their unconditional love and giving me reason for numerous breaks from study. And, to my parents for continuing to believe in me and my parents-in-law for all of their support in the belief of higher education.

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## Introduction

College athletics exist in stark contrast to the mission statements of the institutions of higher learning to which they belong (Clotfelter, 2011). What started as a means for enriching the whole man in education and arts (Shulman & Bowen, 2002) has become commercialized and is hardly recognizable when compared to its academic origins (Clotfelter, 2011). Most college and university mission statements contain the functions of teaching, creating, and distributing knowledge (Clotfelter, 2011; Shulman & Bowen, 2002). In fact, to the peril of these missions, college athletics distract from study time, disrupt educational calendars, and weaken admission standards for athletes (Bowen & Levin, 2003; Clotfelter, 2011). Due to the current athletic model, academic standards are compromised and graduation rates are negatively impacted (LaForge & Hodge, 2011). These detriments are prevalent at all levels of collegiate athletic competition (Bowen & Levin, 2003; Shulman & Bowen, 2002).

Higher education and athletics are also mutually beneficial. College athletics can create more revenue and exposure for a school resulting in positive perceptions by stakeholders, higher enrollment numbers, and better quality students (Dwyer, Eddy, Havard, & Braa, 2010; McCormick & Tinsley, 1987; McEvoy, 2005; Roy, Graeff, & Harmon, 2008). The University of Alabama has won four football national championships in the last eight years and brought in \$95 million in revenue from football alone in 2015 (Drape, 2015). Over the last 10 years, the University of Alabama's enrollment increased by 55 percent reaching 37,100 students including 174 National Merit and National Achievement finalists ranking in the top 5 among public universities (Drape, 2015). In the 2013 National Collegiate Athletic Association (NCAA) Basketball Tournament, Florida Gulf Coast, a school that had recently reclassified from Division II to Division I Non-football, became the first 15 seed to advance to the Sweet Sixteen. The



exposure increased applications to the school by 35.4 percent the following year; the school's president credited the athletic success for the increase (Chandler, 2014). Colleges and universities can be more selective in their admissions process when there is a higher demand for entrance resulting in higher quality students (McCormick & Tinsley, 1987). Athletic departments generate interest in these academic institutions that would otherwise not exist.

Social Identity theory may explain why students desire to attend schools with successful athletic programs (Tomasini, 2005). Groups to which individuals belong can be a source of self-esteem and pride and give the individual a sense of belonging in the social world (Tajfel & Turner, 1979). In an attempt to increase self-image an individual will seek to associate with more successful groups (Tajfel & Turner, 1979). This may explain why incoming applications and enrollment numbers increase following an athletic program's success.

While athletic success at the Division I Football Bowl Subdivision (FBS) clearly shows benefits for elite athletic departments, smaller Division I programs do not always enjoy the same outcomes. Out of 346 athletic departments at the Division I level only 20 operated with more generated revenues than expenses in 2013 (Fulks, 2014a; NCAA, n.d.). All 20 athletic departments were at the FBS level and the last non-FBS school to report net revenue was a Division I non-football athletic department in 2004 (Fulks, 2014a). However, this may be misleading. Bowen's Revenue Theory of Cost states that institutions of higher learning, in pursuit of prestige and excellence, raise as much money as possible and then use all available funds (Bowen, 1987). Thus, revenues are more appropriate to observe than net income. At the upper level of football competition in FBS, which includes five conferences referred to as the Power 5, large revenues are being realized as a result of media rights deals. The Power 5 includes the Southeastern Conference (SEC), the Big Ten Conference, the Atlantic Coastal

Conference (ACC), the Pac-12 Conference and the Big 12 Conference. In 2016, the average distribution at SEC schools was \$40 million; the Big Ten Conference average was \$32.4 million; the ACC full member distributions ranged from \$24 million to \$27.6 million; the Pac-12 Conference average was \$25.1 million; and the Big 12 Conference average was \$23.4 million, except for Baylor University and Texas Christian University which averaged just over \$20 million each (Berkowitz, 2017).

NCAA athletic departments in Divisions II and III operate with expenses exceeding revenues (Fulks, 2014b, 2014c) and absorb money from tax dollars that could be used to fund academic endeavors in higher education. Outside the Power 5 conferences, most athletic departments are funded largely through school funds and student fees (“USA Today Sports”, 2017). In fact, schools moving from lower divisions to Division I Football Championship Subdivision (FCS) in the 1990s showed no immediate, significant increases in attendance, donations, freshman applications or undergraduate enrollment (Tomasini, 2005). The future looks very bleak economically for NCAA Divisions II and III. This situation compels one to question whether current lower division student-athletes should be denied the opportunity of sport participation, also costing small campus communities their traditional social game-day activities, in order to concentrate more funds on academic pursuits. Despite economic disparity among NCAA member institution athletic departments, the social experience should be noted as a value (Roy et al., 2008).

Football attendance numbers, while leveling off in recent years, are very formidable. In 2015, over 49 million people attended games at 666 campuses, which included almost 38 million at FBS games and a little over 5.5 million at Division I FCS games (NCAA, 2016). Football fans add economic prosperity to those communities by purchasing tickets, concessions, merchandise,

travel, hotels, and restaurants. Many in the academic world question if economic boons for those communities are worth the subsidies paid in tax dollars to support athletics. At smaller campus communities, those economic dividends are minimal at best and more commonly negated.

At the FCS level, many athletic departments fund sizable chunks of their budget playing against FBS opponents. In 2013, the first weekend of college football saw seven FCS football programs upset their FBS opponents (Smith, 2013). The better news for those FCS athletic departments was the game guarantees that ranged from \$225,000 to \$450,000. Those athletic departments funded from 9 percent to 16 percent of their annual budgets from a single FBS opponent (Smith, 2013). The payouts are even larger for non-Power 5 conference FBS teams, sometimes referred to as mid-majors. In 2014, Texas A&M paid Ball State \$1.2 million; Wisconsin will pay Florida Atlantic \$1.2 million in 2017; and Miami, Ohio has a deal in place for a \$1.5 million guarantee in 2020 (Temple, 2014). Just a few of these away game guarantees can fund a large percentage of the athletic department budget.

As Division I athletic departments generate large revenues and receive continual media exposure, many athletic directors and administrators view reclassification as a means to solve their financial woes and gain exposure for their school (Dwyer et al., 2010; Roy et al., 2008; Tomasini, 2005). Some college and athletic administrators view reclassifying downward as a means of reversing a course of action considered failing; however, there are many more cases of upward reclassification especially toward football despite mixed results (Hutchinson, 2013).

### ***Purpose***

This study will assess the change in athletic department revenues, football attendance and student enrollment over years one, four and eight of upward football reclassification.

### ***Significance***

This study will provide valuable insight for university administrators, college athletic administrators, alumni, students and other key stakeholders whose institution may be considering upward football reclassification.

### ***Research Questions***

RQ1: How does upward football reclassification change athletic department revenues from year one of reclassification to year four and year eight?

RQ2: How does upward football reclassification change student enrollment from year one of reclassification to year four and year eight?

RQ3: How does upward football reclassification change football attendance from year one of reclassification to year four and year eight?

## **Literature Review**

### ***History***

Intercollegiate contests began as early as the mid-1800s when Harvard and Yale had a rowing competition sponsored by the Elkins Railroad Line (Shulman & Bowen, 2002; Smith, 2000). North American intercollegiate contests contained commercialism and outside influence from the beginning. Next, there were intercollegiate baseball contests (Shulman & Bowen, 2002). Then, a new sport named football became a popular competitive sport between colleges (Shulman & Bowen, 2002; Smith, 2000). From 1895 to 1905, the University of Chicago began recruiting athletes from high schools, and, in some cases, they were placed on the team without completion of their high school courses (Bowen & Levin, 2003). In 1905, there were many deaths as a result of football competition. President Theodore Roosevelt stepped in and met with many of the major university presidents to determine uniform regulations to reform the game of football (Shulman & Bowen, 2002; Smith, 2000). As a result, the Intercollegiate Athletic

Association of the United States was formed. In 1910, the name was officially changed to the National Collegiate Athletic Association (Shulman & Bowen, 2002; Smith, 2000). This is the same NCAA that governs intercollegiate athletic competition today.

In 1929, the Carnegie Foundation for the Advancement of Teaching commissioned a report because of outside influence on student sport and academic integrity issues (Shulman & Bowen, 2002; Smith, 2000). The Carnegie report suggested faculty control over the student run club sports (Shulman & Bowen, 2002; Smith, 2000). The goal of faculty control was to keep sports competition in perspective to the primary academic missions of the schools (Shulman & Bowen, 2002). The unintended consequence was schools assuming ownership over athletic programs that did very little to support the schools' foundational academic missions (Shulman & Bowen, 2002). In the 1950s, intercollegiate athletics converged with mass media to gain even more popularity and commercialization moving even further from college and university academic aims (Shulman & Bowen, 2002; Smith, 2000).

Title IX, adopted by Congress in 1972, forbid discrimination based on sex in educational settings. This led to the NCAA creating women's championships and the creation of more women's athletic programs (Shulman & Bowen, 2002; Smith, 2000). The increased cost created by adding women's athletic programs led to higher expenditures with little growth in revenues (Smith, 2000; Tomasini, 2003).

The NCAA controlled media rights until the mid-1980s. That control was challenged in the federal court case *NCAA v. Board of Regents of the University of Oklahoma and University of Georgia Athletic Association* (1984). The Supreme Court ruled that the NCAA was in violation of the Sherman Antitrust Act and awarded the schools and conferences the right to negotiate their own media rights deals (Shulman & Bowen, 2002; Smith, 2000). Media rights are

a major component of revenue generation for schools and conferences today. The NCAA retained media rights to championships and the overwhelming majority of their revenue today comes from the Men's Division I Basketball Championship media rights deal (Shulman & Bowen, 2002; Smith, 2000).

In 1973, the NCAA divided its membership into Division I, Division II, and Division III classifications (Tomasini, 2003). In 1978, Division I further reclassified into Division I-A for the more competitive and financially able football programs, Division I-AA for strong athletic programs with less sound football programs, and Division I-AAA for schools with strong athletic programs that did not sponsor football (Tomasini, 2003). In 2006, the NCAA board of directors renamed Division I-A to Division I FBS, Division I-AA to Division I FCS and Division I-AAA became simply Division I; the renaming was to alleviate confusion associated with the previous monikers being used to describe non-football programs (Albright, 2006). With a hierarchy, whether real or perceived, in place many college athletic departments seek to bolster their status and reputation either as a school or athletic department by jumping to a higher classification (Clotfelter, 2011; Shulman & Bowen, 2002; Tomasini, 2003, 2005). The process of changing divisions, either up or down, is called reclassification.

### ***Division II to Division I FCS Reclassification Process & Requirements***

The NCAA Division I Manual bylaw 20.5 outlines the reclassification process from Division II to Division I, including the requirements for FCS membership. To qualify for reclassification, an institution of higher education must have been an active Division II member for at least five years prior to requesting reclassification, should sponsor the appropriate number of sports and grants in aid required for Division I schools, and receive an invitation to join an active Division I multisport conference (NCAA Bylaw 20.5.1). After submitting an application

for reclassification, four years of the reclassification process follow. An institution may only proceed to the next year after approval from the Division I Management Council (Council). The Council may require an institution to repeat a year in the process if compliance is not met (NCAA Bylaw 20.5.2.5).

The application process begins with the completion of a Council-supplied application form by the institution and the inviting conference. The application is accompanied by an application fee, an initial strategic plan, and an infractions report (NCAA Bylaw 20.5). The application fee is calculated based on the average distributions to Division I members from the previous year's revenues including championships (NCAA Bylaw 20.5.2.2). The strategic plan should include measures to adhere to the Division I philosophy and institutional performance program requirements (NCAA Bylaw 20.5.2.3). Some aspects of the philosophy and performance program requirements areas include rules compliance, gender and diversity issues, student-athlete well-being, and academic integrity (NCAA, 2015b). The inviting conference must approve the initial strategic plan before it is submitted to the NCAA. The infractions report must include any areas of non-compliance, ongoing investigations for rule violations and probationary statuses. After completing the application process prior to June 1, the institution may begin year one of the reclassification process at the beginning of the following academic year (NCAA, 2015a).

In the first year of the reclassification process, institutional administrators must attend an orientation session, the NCAA Convention Division I issues forum and business session, and the Regional Rules Seminar. Institutional administrators must include the chancellor or president (or an appointed member of the institution with executive status), the athletics director, senior women's administrator, faculty athletics representative, and senior compliance administrator.

The institution must follow all Division I legislation except for scheduling requirements and continuing eligibility requirements for student athletes in their final year of competition. The institution must complete all of the NCAA institutional performance program requirements. The institutional program performance requirements are considered completed after a completed self-study and evaluation visit determines the institution is adhering to Division I principles and philosophies. The institution must also use Division I legislation and processes to report and resolve any rules or eligibility violations. An annual report and strategic plan progress report must also be submitted before the Council advances the institution onto year two (NCAA Bylaw 20.5.2.5.1).

In the second year of the reclassification process, the institution must follow all Division I membership and legislation requirements. The aforementioned institutional administrators must attend the NCAA Convention Division I issues forum and business session, as well as the Regional Rules Seminar. A compliance review and institutional response must be completed with the national office entailing any infractions. An updated strategic plan and annual report must also be submitted before the Council approves the move to year three (NCAA Bylaw 20.5.2.5.2). Year three repeats all of the requirements for year two with the exception of completion of institutional performance program requirements in place of the compliance review by the national office (NCAA Bylaw 20.5.2.5.3). Year four is identical to year three and completes the reclassification process (NCAA Bylaw 20.5.2.5.4).

One key requirement of membership in Division I is the provision of grants in aid outlined in NCAA Bylaw 20.9.3. The minimum financial assistance must equal one of the following conditions:



1. At least 50% of the maximum allowed grants in 14 sports, of which at least seven must be women's sports. If indoor track and field, outdoor track and field, and cross-country are used then 80% of the maximum allowed grants must be provided or in the event of two of those three sports 70% of the maximum allowed grants.
2. Financial aid representing expenditures of \$1,459,433 in 2015/2016 and \$1,500,297 in 2016/2017 with at least over half of that expenditure toward women's sports, excluding football and men's and women's basketball. For institutions that do not sponsor men's or women's basketball, the figures are \$963,524 in 2015/2016 and \$990,503 in 2016/2017.
3. A minimum of 50 full grants in aid with at least 25 of those for women's sports, excluding football and men's and women's basketball. For institutions that do not sponsor men's or women's basketball, 35 full grants in aid must be provided to the gender without a basketball program.
4. In the event that an institution is deemed to receive exceptional amounts of federal assistance to meet students' financial needs, then half of the requirements from 1, 2, or 3 above will fulfill the requirement.

In addition, the FCS membership requirements are outlined in NCAA Bylaw 20.9.10 and include the following:

1. The athletic department must sponsor a minimum of 14 Division I varsity intercollegiate sports including football. Seven all-male or mixed male-female teams with seven all-female teams or six all-male or mixed male-female teams with eight all-female teams.
2. There must be at least two all-male or mixed male-female team sports sponsored and two all-female team sports sponsored.
3. At least 50% of football contests are scheduled versus FBS or FCS programs.

No further scheduling or attendance requirements must be met at the FCS level. Also, no additional requirements must be met at the FCS level for grants in aid other than what exists for Division I members.

#### ***Division I non-football to Division I-FCS Process and Requirements***

Division I non-football already adheres to the requirements for Division I membership. NCAA Bylaw 20.4.2 indicates a Division I non-football program must petition the NCAA to be classified in the Division I-FCS and must meet the FCS membership requirements outlined in NCAA Bylaw 20.9.10 and listed above (NCAA, 2015a).

#### ***Division I-FCS to Division I-FBS Process and Requirements***

Division I-FCS to Division I-FBS reclassification begins with an invitation to join an FBS football conference followed by a petition and application to the NCAA to be classified in the Division I-FBS. The application is accompanied with a \$10,000 fee and a strategic plan for adherence to Division I-FBS principles and legislation. The process covers two years after the petition and application. Year one consists of attendance at an orientation session, submission of an annual report and updated strategic plan, as well as reporting all infractions to the Council via the annual report. Year two requires total adherence to Division I-FBS legislation and membership requirements including submissions of an annual report and updated strategic plan. This completes the process of reclassification from FCS to FBS and ongoing compliance to all legislation and membership standards are required (NCAA, 2015a).

The differences in membership from FCS to FBS include sport sponsorship, football attendance, scheduling requirements and grants in aid and are outlined in NCAA Bylaw 20.9.9. In FBS, an athletic department must sponsor 16 sports including football and follow the standards for Division I set forth in NCAA Bylaw 20.9.6 and additionally requires a minimum of

six all-male or mixed male-female teams and a minimum of eight all-female teams. For scheduling, the football program must schedule 60 percent of games against members of the FBS including five regular season home games. For attendance, once every two years, the program must average 15,000 in actual or paid attendance. Athletic departments must also supply 90 percent of the maximum grants in aid for football and either 200 grants in aid or \$4 million in grants in aid for student athletes. There are waivers and exceptions outlined in NCAA Bylaw 20.9.9 for all of the above conditions (NCAA, 2015a).

### ***Possible Benefits of Reclassification***

College sport administrators are searching for ways to increase revenue streams to fund and increase athletic budgets. The potential benefits of reclassification are increased revenues and exposure (Dwyer et al., 2010; Frieder & Fulks, 2007; Roy et al., 2008; Stinson & Howard, 2008; Tomasini, 2005). Increased revenues include media rights, increased sponsorship, conference distributions, post-season earnings, and increased attendance which can translate into increased ticket sales, concessions, and merchandising (Dwyer et al., 2010; Frieder & Fulks, 2007; Tomasini, 2005). Increased exposure is associated with increases in freshman applications, a larger and higher quality academic pool, greater diversity, and numerous intrinsic benefits such as perceived prestige of an institution and perception by alumni of a more valuable degree (Frieder & Fulks, 2007; Roy, Harmon, & Graeff, 2006).

### ***Theoretical Framework***

Expectancy-value theory of motivation states that behaviors are a function of expectancies and the value of the goal to be achieved (Wigfield, Tonks, & Klauda, 2009). The theory also states that when more than one behavior or response is possible, the response chosen gives the greatest probability for success based on value (Wigfield et al., 2009). Expectancies are

defined as beliefs about the future, values are defined as relative worth and the context of valuing something means desiring to obtain it (Wigfield et al., 2009). In this context, college and athletic administrators value increased revenues, football attendance, and student enrollment. The expectancy is the belief that upward football reclassification will result in attainment of these goals. Thus, due to the selection of reclassification as the means of achieving the goals, reclassification gives the greatest probability for success, according to expectancy-value theory of motivation.

## **Methodology**

### ***Research Design***

The study will use an observational repeated-measures research design to measure the changes in athletic department revenues, football attendance and student enrollment over years one, four and eight of upward football reclassification.

### ***Subjects***

Subjects for this study are 24 institutions of higher learning that reclassified to Division I FCS or FBS between 1998 and 2009. Schools' reclassification years were determined using the College Football Data Warehouse ([www.cfbdatawarehouse.com](http://www.cfbdatawarehouse.com)). The beginning year 1998 was the first year of the Bowl Championship Series (BCS) which created huge payouts through media rights deals (Oriard, 2014). These enormous payouts created motivation for reclassifying to higher levels of football competition. The end year 2009 was chosen to measure an eight year cycle ending in 2016, which is the last year for any available data. The eight years covered allow for two cycles of classes, from freshman to senior years. Year one is the first year of full participation in the new football classification, followed by years four and eight. Football programs that reclassified to both FCS and then FBS between 1998 and 2009 will be measured for the most recent reclassification.

### *Measures/Procedures*

Outcome variables to be measured are college athletic department revenues, football attendance, and student enrollment. The three measurable outcome variables are consistently used throughout the literature reviewed and are among the most important reasons used by college administrators for upward reclassification (Dwyer et al., 2010).

Revenues for each reclassifying institution will be pulled from Equity in Athletics Data Analysis (EADA) database or obtained through university and athletic department press releases and publicly available information released by the university and/or athletic department.

Revenues will be collected for years one, four and eight of reclassification. Revenues will be converted to 2017 dollars accounting for inflation using the Bureau of Labor Statistics' CPI Inflation Calculator. The inflation calculator only accepts values less than 10,000,000. Thus, revenues will be entered in the hundreds of dollars to two decimal places and then converted back into dollars with no decimal places after being calculated by the inflation calculator. The controlled variable is time with three levels, years one, four and eight after reclassification.

Total undergraduate full-time enrollment will be collected and referred to as enrollment. Enrollment will be collected from EADA and other publicly available university media releases such as Common Data Sets. Enrollment will be collected for the first, fourth, and eighth years of reclassification. The controlled variable is time with three levels, years one, four and eight after reclassification.

Total home football attendance will be collected for the season and divided by the number of home games to arrive at the average per game attendance that will be referred to as football attendance. Any decimals will be rounded down to the nearest whole number as a fraction of a person in attendance is not practical. Football attendance will be collected from

archived football media guides, season statistics sheets, and press releases on official school athletics websites. Football attendance and will be collected for the first, fourth, and eighth years of reclassification. The controlled variable is time with three levels, years one, four and eight after reclassification.

### ***Data Analysis***

Data will be analyzed using the IBM Statistical Package for the Social Sciences (SPSS) version 23 software. A repeated measures ANOVA will be used to test differences in the means of years one, four and eight of athletic department revenues, student enrollment and football attendance and will then determine whether the differences are significant across the full set of schools in the sample to the .05 level.

### ***Assumptions***

Assumptions are that all data collected from databases are reported and recorded in an honest, accurate, and consistent manner from each athletic department and database management team.

### ***Limitations***

This study looks at reclassification as the event effecting college athletic department revenues, football attendance and student enrollment. This study did not perform an exhaustive search for other factors that may contribute to the changes in outcome variables.

This study did not address issues related to population changes and how those changes may affect football attendance and enrollment numbers. For instance, this study did not look at population changes such as student enrollment increases due to economic recession or other phenomena that could affect enrollment.

### ***Delimitations***

Delimitations of this study are the 24 institutions of higher learning that reclassified to Division I FCS or FBS from 1998 to 2009. The time frames of data collection are inclusive of the first, fourth and eighth years of reclassification for athletic department revenues, football attendance and student enrollment. Outcome variables measured are athletic department revenues, football attendance and student enrollment.

### ***Threats to External Validity***

This study only looks at the effects of upward reclassification of football on the Division I FCS and FBS levels; any changes in the outcome variables are not easily inferred to the entire population of NCAA or other non-NCAA collegiate athletic departments. Since upward reclassification to FCS or FBS football is the only criteria, there may be other factors which are associated with the change in outcome variables creating further issues inferring the same outcomes to any or all athletic departments seeking change due to reclassification exclusively.

## **Results**

A one-way repeated measures ANOVA was conducted to compare the change in athletic department revenues, undergraduate student enrollment, and football attendance at one, four and eight years after upward football reclassification. Significance was determined at the  $p < .05$  level. Data were available and collected for 14 of the 24 schools identified as reclassifying upward to FBS or FCS in football between 1998 and 2009. To reiterate, our sample comprised 58% of the total population of schools that reclassified upward to FBS or FCS. Data for most schools were unavailable for years 1998, 1999, 2000 and 2001 which excluded 10 schools from the sample. Freedom of Information Act (FOIA) requests were filed and the documents simply no longer existed due to policies regarding document/data retention. Of those 14 schools, 10

reclassified to FCS football, and four reclassified to FBS football. One school was a private school and the other 13 were public universities. After reviewing histograms, skewness and kurtosis values, and the K-S tests, no gross violations of normality were observed. It should be noted that enrollment year one is slightly positively skewed, but not enough as to present a problem to normality.

### ***Revenues***

All revenue data were converted to March 2017 dollars using the Bureau of Labor Statistics' CPI Inflation Calculator. Mauchly's test of sphericity was met,  $\chi^2(2) = .053, p = .974$  therefore there is no need to adjust degrees of freedom. A repeated measures analysis of variance indicates a significant effect of time after upward football reclassification on athletic department revenues, Wilks' Lambda = .102,  $F(2, 12) = 52.83, p = .000$ . These results suggest that athletic department revenues increase with time after upward football reclassification. Post hoc tests using the Bonferroni correction revealed that revenues increased by an average of \$2.4 million from year one to year four ( $p < .01$ ) and by an additional \$3.3 million between year four and year eight ( $p < .001$ ).

Table 1

#### *Descriptive Statistics for Revenues (in millions of dollars)*

Year	N	Mean	SD	Range
1	14	13.71	6.75	2.55 – 25.77
4	14	16.14	6.71	4.06 – 27.72
8	14	19.44	7.32	4.69 – 29.75

### ***Enrollment***

Enrollment measured the total full-time undergraduate students enrolled in school that year. Mauchly's test of sphericity was violated,  $\chi^2(2) = 16.47, p = .000$  thus, degrees of freedom



were corrected using the Greenhouse-Geisser estimates of sphericity ( $\epsilon = .57$ ). The results indicate a significant effect of time after upward football reclassification on total undergraduate student enrollment  $F(1.15, 14.89) = 7.73, p = .012$ . These results suggest that student enrollment increases with time after upward football reclassification. Post hoc tests using the Bonferroni correction revealed that enrollment increased by an average of 1583 students enrolled from year one to year eight ( $p < .05$ ). There was no statistically significant change in enrollment between year one and year four or between year four and year eight.

Table 2

*Descriptive Statistics for Student Enrollment*

Year	N	Mean	SD	Range
1	14	9,628	5,948	2,203 – 23,042
4	14	9,938	5,935	2,375 – 23,844
8	14	11,211	7,241	3,150 – 26,792

***Football Attendance***

Football attendance measured the average attendance per home game rounded down to the nearest whole number. Mauchly's test of sphericity was violated,  $\chi^2(2) = 5.71, p = .058$  thus, degrees of freedom were corrected using the Greenhouse-Geisser estimates of sphericity ( $\epsilon = .73$ ). The results indicate no significant effect of time after upward football reclassification on football attendance  $F(1.45, 18.86) = 2.06, p = .163$ . These results suggest that time after upward football reclassification has no significant effect on football attendance.

Table 3

*Descriptive Statistics for Football Attendance*

Year	N	Mean	SD	Range
1	14	9,403	3,706	3,682 – 15,110
4	14	10,353	5,275	3,096 – 19,425
8	14	10,805	5,283	4,207 – 18,453

**Discussion**

This study sought to determine what change, if any, occurred in athletic department revenues, student enrollment and football attendance as a result of upward football reclassification, to FCS or FBS, over a period of eight years, measuring at years one, four and eight. Previous studies have only looked at short term changes, three years within the reclassification event.

Athletic department revenues, even after adjusting for inflation, increased, significant to the .001 level, at each measured interval. The mean revenues increased 17% from year one to year four and increased 20% from year four to year eight. While none of the schools in the sample were invited to join a Power 5 conference, there are still more available distributions at the Division I level which is where all of the sample schools reside. In 2016, NCAA Division I distributions to Division I members were over \$768 million for 347 members and the NCAA spent another \$94 million on Division I championships (“NCAA Consolidated,” 2017). Division II and III combined distributions and costs for championships total roughly \$65 million for its 751 members (“NCAA Consolidated,” 2017). To state this point in another way, the NCAA spent \$2.48 million per school at Division I while only spending \$86,551 per Division II and III schools including championships.

NCAA distributions do not include media rights deals. This is where indirect effects such as stakeholder perceptions and increased exposure translate into tangible financial benefits. Stakeholders buy tickets and watch sports on television which in turn creates the demand for sponsorship to engage stakeholders and sell sponsor products. The market for Division II & III schools' media rights resides in streaming formats and local radio stations at best. Meanwhile, even the Sunbelt Conference, amid market value declines from cable cutting, in Division I FBS brings in \$140K per school (Smith, 2016).

Considering football attendance did not significantly increase, athletic departments either increased ticket prices or found increased revenue streams other than ticket sales. Increasing ticket prices could indicate that those attending games place a higher value on their experience. Some other revenue streams that could be responsible for the increases include seat licenses or donations to secure premier seating, parking, concessions and other ancillary products or services. This also substantiates the findings in the literature for increased direct benefits such as sponsorship, media rights, conference distributions and post season earnings which would be reflected in the increased revenues. Whether the revenue increases were due to ticket price increases or other increased revenue streams, an increased value to the athletic department after upward football reclassification is realized.

There was little increase in enrollment between year one and year four; however, a significant increase was noted in year eight. The mean enrollment increased only 3% between year one and year four, but increased 13% between year four and year eight. The total increase of 16% between year one and year eight was found to be significant. While financial stakeholders such as sponsors and media outlets may immediately contribute to direct benefits increasing revenues, other stakeholders such as prospective students may take more time to consume the

sponsorship and media coverage and then recognize the change in status for the institution brought about by reclassification. This would explain the delay in growth from year one to year four and the substantial increase from year four to year eight. Some schools may value increased enrollment. Thus, the ability to increase classroom capacity and faculty to accommodate increased enrollment would be limiting factors. Other schools may value a student pool of higher academic quality versus increased enrollment and this is another limiting factor. With the inability to control for population changes, construction or updating of university classroom facilities, increased staffing of faculty, or schools' preference or indifference toward increasing enrollment, it is difficult to determine that these increases are from increased exposure due to upward football reclassification.

Upward football reclassification did not show any statistically significant changes in attendance at home football games; however, there were increases. Mean football attendance increased by 10% from year one to year four and increased by 4% from year four to year eight. The scope of this study did not include investigation of stadia expansions or renovation in the sample of schools. These schools may have reached capacity for those stadia. Further, it may take more time for increased student enrollment to develop a larger alumni base to realize increases in football attendance. Also, football success was not investigated in this study. In accordance with previous literature, athletic success can increase both direct and indirect benefits.

In the context of the expectancy-value theory, we can conclude that athletic directors who reclassified in this study selected the means that would give them the highest probability of success in terms of increasing athletic department revenues. According to this theory, reclassification may not be the best means for achieving higher football attendance over the

eights year period. This study also supports that upward football reclassification may be a successful means for university presidents to increase student enrollment; however, there are many other factors, previously mentioned, to consider before making this statement in regards to student enrollment increases.

In summary, the media rights and sponsorship exposure brought about by upward football reclassification leads to enrollment increases which in turn may lead to football attendance increases. An opportunity for further research could include increasing the independent variable of time to additionally measure years 12 and 16 after upward football reclassification to assess this argument. The scope of the study could also be expanded to look at facility construction and renovations, local population changes and the possible effects of athletic success or lack thereof. Additionally, a further benefit to college and athletic administrators who are considering reclassification would be a study designed to look at predicting factors that precede successful reclassifications. Further, there is a lack of existing literature that has looked at reclassification as a long-term event, it is recommended that future research view reclassification over a sustained period of time and as a gateway to the highest level of collegiate athletic competition.

This study recommends that upward football reclassification results in increased athletic department revenues and increased student enrollment. Reclassification is a process that should be properly vetted with all stakeholders and is not a quick fix for financial deficiencies.

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