Review of NCAA's business model warns of college sports at 'crossroads'

Pete Nakos



When new **NCAA** president **Charlie Baker** took over as the leader of college sports in March, the former Massachusetts governor directed a review of the organization's business model. Led by the firm **Bain & Company**, a summary of the review's findings was <u>released</u>
Wednesday by the NCAA.

The main <u>takeaways</u> from the business report suggested the NCAA should find ways to create a national platform for online streaming of events and tackle the growing officiating crisis by building a pipeline of talent.

The review outright stated institutions and college athletics "are at a crossroads." The key pressure cited in the review include:

- Decline of the college-age population and rising costs of attendance
- The options available for college-aged athletes to forgo college and go professional
- The outside influences of social media and sports betting
- Media partners experiencing existential threats to business

The NCAA also identified areas it must continue to improve and address. Those topics include supporting athletes, collaborations with member schools and the widening gap between different layers of Division I resources.

The report states to address the trends, the governing body must establish a new operating model and mission, while having "a new sense of urgency."

"College sports remains in a period of dramatic transformation, and the NCAA must evolve in response to and anticipation of these changes," Baker said in a statement. "We can no longer pretend things are as they always have been – and our new way of doing business will ready the national office to move forward with urgency, purpose and a plan. I believe the results of this review provide a compelling and detailed vision that every NCAA action should anchor to."

The review also surveyed more than 500 NCAA employees about how the association operates. One major takeaway was the need for clear roles.

"Identify top 15-20 decisions within the national office and map out

stakeholders and clear decision rights," the review said.

The NCAA should also determine if there are other sports worth supporting. According to the review, those sports could include three-on-three basketball, wheelchair basketball and pickleball.

NCAA identifies issues facing athletes

The business model overview also identified four issues facing athletes in today's world of college athletics. According to the NCAA, NIL "lacks any kind of consumer protections" and requires a new framework by the end of the year.

Sports betting is now legal in nearly 35 states. Earlier this week, Lowa
State quarterback Hunter Dekkers was been charged by local prosecutors with "tampering with records related to" the Lowa Division
of Criminal Investigation's inquiry into improper gambling at lowa State, according to the Des Moines Register.

According to the complaint filed in court, Dekkers bet on a 2021 football game against Oklahoma State when he was the backup quarterback for the Cyclones. Baker has prioritized sports betting since taking office, and the report suggested the NCAA needs to spend more time preparing athletes for the wagering landscape.

Mental health management and awareness continue to be a focal point for the association, too.

NCAA to provide schools post-eligibility injury insurance

The NCAA will begin offering member institutions post-eligibility injury

insurance coverage for athletes beginning Aug. 1, 2024. Athletes will receive coverage for two years after their college athletics experience expires. The coverage will be for injuries that occur while playing for a member school.

The post-eligibility injury insurance program will be available for all three Divisions.

"Student-athletes deserve the coverage offered in this plan, no matter their division," Baker said. "Thanks to the many voices who have supported this idea since the Division I Transformation Committee formalized it in their final recommendations earlier this year. It's another occasion where the NCAA can show its unwavering commitment to and support for student-athletes."

The policy's annual premium is projected to be \$26 million, per the NCAA's release. It will have a \$90,000 excess limit per injury, with no deductible. There will also be limited coverage for mental health care related to the documented injury.