

## **BOV Deep Dive: W&M Varsity Athletics**

Board of Visitors Retreat, July 2024

The purpose of this memo is to prepare Board members for generative discussion of the role of varsity athletics at William & Mary. Nationally, we are experiencing a fundamental resettlement of the place of athletics in Higher Education. Every institution will be affected by this rapid transformation, in ways that are hard to predict. These disruptions also present opportunities. So the President has charged the Athletics Department with developing a new strategic plan in the calendar year 2025. Beginning this coming spring, our department will engage every stakeholder in that process: students, student-athletes, faculty, staff, alumni, neighbors, supporters, and our department and university leadership boards.

In advance of Athletics strategic planning, management seeks to develop with the Board of Visitors a shared understanding of two things. First, the place of Varsity Athletics in W&M's educational mission. Second, a small set of principles for future decision-making during a time of unprecedented change. By November of 2024, we will ask that the Board formalize these shared commitments with management, via the Committee on Student Experience. These commitments will serve as the framework for W&M Athletics to engage our larger community in strategic planning.

### **Overview: W&M Division I Athletics Today**

William & Mary Athletics is a core component of the university's mission and a beacon of light in the pursuit of academic *and* athletic excellence in an ever-changing world. [The 23 sports we sponsor](#) strengthen campus spirit and serve as a powerful vehicle for personal growth, leadership development, teaching and learning. Through competitive sports, students learn resilience, strategic thinking, and collaboration – capacities that are invaluable both on and off the field. These skills help our student-athletes enrich campus life in myriad ways. For the community, athletic programs foster school pride and create a shared sense of belonging among students, alumni, and supporters.

By championing the balance of academic and athletic pursuits, William & Mary Athletics exemplifies the university's commitment to nurturing well-rounded individuals who strive for excellence in all facets of life. This model of college athletics is increasingly rare on the national scene and faces significant challenges as the fundamental relationship between institution and student-athlete is currently being challenged in countless court cases.

### **Defining Success**

W&M Athletics strives for exceptional performance in all areas and relentlessly pursues this goal. Our [Key Performance Indicators](#) shared with the Board of Visitors support this

notion by quantifying academic performance and competitive success across the department. We review and update these annually.

W&M is an academic powerhouse in varsity athletics – as measured by student-athlete academic achievement, graduation rates, conference awards, and national awards. As outlined in Appendix I, W&M has achieved elite marks in the NCAA annual ratings: federal graduation rate (FGR), graduation success rate (GSR), and academic progress rate (APR). As outlined in Appendix II, W&M has achieved meaningful success in competition. We measure that success by CAA Championships, All-American individuals, [NACDA Directors' Cup ranking](#), national post-season appearances, and appearances on the national stage.

### **Financing Varsity Athletics at W&M**

Beyond a few institutions at the Power 5 level (those in the ACC, Big 10, Big 12, Pac 12, & SEC conferences), college athletics programs do not generate enough revenue to cover the costs associated with them. Athletics departments at W&M's level should not be viewed as revenue centers; the value of these enterprises is educational and strategic.

In the Commonwealth of Virginia, varsity athletics are classified as “auxiliaries,” like housing and dining, student health and recreation, parking and transportation, the bookstore, etc. Commonwealth Educational and General funds (“E&G Funds”) cannot be used to support auxiliary functions – though they may be essential to the educational mission of the institution. Instead, the W&M Athletics department is supported by student fees, philanthropy, modest Athletics revenues, and NCAA distributions.

W&M Athletics expenses totaled nearly \$33.5M for the fiscal year ending June 30, 2024. Those expenses fall into three major categories – scholarships, salaries & benefits, and operating expenses – each comprising roughly a third of the total budget. This represents a \$140k reduction in expenses from the prior fiscal year. See Appendix III.

### **A Disrupted National Landscape**

Major transformations are underway in varsity college athletics that will have widespread consequences over the coming years. College sports will not continue as we knew them. Two emerging dynamics are largely out of the control of individual institutions and most conferences. There is still much to be understood about their impact at William & Mary and our peers. We will continue to share updates as we are able.

Trend #1: NIL This spring, the NCAA and the Power 5 conferences agreed to settlement terms in the House, Hubbard and Carter v. NCAA antitrust lawsuits. The settlement contains two major financial components, back damages and future revenue share. The back damages are ~\$2.8 billion over 10 years that will go to former Division I athletes for use of their name, image and

likeness (NIL). The back damages will go to three subsets of former athletes (1) power conference football and men’s basketball players related to their broadcast NIL, third party-NIL and video game use; (2) power conference women’s basketball players for their broadcast NIL and third-party NIL; (3) additional D1 Athletes for their use in video games and third-party NIL

Under the new settlement framework, the NCAA will fund 40% of the back damages (\$1.1 billion) while the member institutions will fund 60% (\$1.65 billion) over a 10-year payback period. The power conferences will contribute ~\$664 million and the other 27 non-power conferences (inclusive of the CAA) will contribute ~\$990 million. These contributions will take the form of reduced yearly payouts to member schools. The non-power conferences are aligned in their disagreement with the split in damage payments. The direct impact on W&M will be a reduction in NCAA funds distributed of \$350,000 per year over 10 years.

In terms of future revenue sharing, this aspect will focus on the power conferences and a pool of 22% of the average Power 5 school’s revenues - projected to be more than \$20M annually per school. W&M would not participate in the revenue sharing portion of the settlement, and it is unlikely that most of the 27 non-power conference institutions would participate as well.

Another significant impact of the settlement deals with scholarship limits (eliminated because of the settlement) and some potential roster limits (to be determined/implemented). The impacts of those areas are uncertain, but each institution would have autonomy in determining its own scholarship level.

Trend #2: Employment Status and Collective Bargaining. Multiple (conflicting) court cases are underway to establish whether Division I college athletes should be classified primarily as employees of their schools and the NCAA “within the meaning of the Fair Labor Standards Act (FLSA) and state laws.” These cases will take several years to unfold. A [recent ruling by the U.S. Court of Appeals for the Third Circuit](#) points in the direction of travel, which is towards employment status and collective bargaining. The linked article summarizes potential consequences for all involved.

### **Strategic Planning Process and Timeline**

W&M Athletics is primed for a new strategic plan, one that builds on the remarkable past of the department while creating a brighter future in the ever-changing landscape of college athletics. This plan will need candidly to address the threats as well as the opportunities that changing landscape offers. As the environment shifts around us, our guides will be the core values of the institution and the department’s commitment to the holistic development of our student-athletes. This planning process will be inclusive – leaning on the expertise, knowledge, and experience of the entire community – and will commence in the spring of 2025. We will build a future that ensures W&M Athletics flourishes for many years to come, and we will do so in collaboration with every corner of the Tribe.

## Appendix I: Academic Achievement

### University Stats

- Athletics set a record with 232 Provost Award winners in 2023-24. The award recognizes student-athletes with a 3.5 GPA or better. The Tribe has generated 200 or more honorees each of the last four years.
- As a department, W&M student-athletes achieved a GPA of 3.40 during the 2024 spring semester. More impressively, for the second time in as many years, all 23 programs produced a semester GPA above 3.0. The cumulative GPA at the end of the 2023-24 academic year was 3.37.

### Graduation Rates

- During the fall, the Tribe led all Division I public institutions in FGR for the 18th time in the last 19 years. W&M's 88% FGR was well ahead of the national average for all student-athletes (69%). It ranked 10th overall among all Division I schools and was the highest in Virginia. W&M had 12 teams report a 100% GSR.
- In APR, the Tribe ranked first nationally among all public universities in both perfect multi year APR scores and NCAA Public Recognition Awards, which honor the top 10% in each sport. W&M programs garnered 12 Public Recognition Awards: the most in the CAA and in Virginia. The Tribe ranked ninth overall nationally for awards. The APR included data from the 2019-20 academic year through 2022-23.
- 16 W&M programs earned perfect APRs in 2022-23. 12 produced perfect multi-year APRs. All W&M programs rank above the national average for multi-year APR.

### Conference Awards

- W&M ranks second in CAA Commissioner's Academic Honor Roll selections over the past 10 years. The honor recognizes student-athletes who achieve a 3.2 GPA during a given semester; since 2018, the award has been given twice a year following the fall and spring semesters. Over the last five years, W&M averaged 678 honorees per academic year (339 per semester).
- Since the CAA began recognizing Scholar-Athletes of the Year for men and women in 2002-03, W&M has the most honorees with 11 (nine men and two women).

### National Awards

- Four of W&M's six Rhodes Scholars have been Tribe student-athletes. That group includes J.R. Deshazo '89 (men's track and field), Andrew Zawacki '94 (men's track and field), Eileen Cardillo '99 (women's track and field), and Paul Larsen '99 (Men's Swimming).
- Tribe Athletics produced two of W&M's 13 Fulbright Scholars for the 2023-24 academic year. Alek Kuzmenchuk '24 (men's gymnastics) and Tara Kerr '24 (women's lacrosse) were selected. W&M Athletics has produced 200 initiates to the prestigious Phi Beta Kappa Society. Four student-athletes were recognized this year, including Lanni Brown (women's basketball), Alek Kuzmenchuk (men's gymnastics), Sarah Wozniak (women's gymnastics), and Elizabeth Upright (women's track and field).

## **Appendix II: Competitive Success**

### CAA Championships

- W&M owns the most CAA championships since the league was founded with 150 (59 men / 91 women). Over the past 10 years, the Tribe is second among current CAA members with 36 championships; Northeastern has 39. Since 2000, the Tribe leads all current CAA members in league championships with 94.

### All-Americans

- W&M has produced at least one All-American every season since 1967 and 582 overall (255 men / 327 women).
- Since 2000, 158 Tribe competitors received All-America honors (93 men / 65 women).
- Since 2014, 43 W&M student-athletes earned All-America honors (29 men / 14 women).

### NACDA Directors' Cup

- Since its inception in 1993-94, W&M has ranked among the top 100 nationally 13 times. Most recently, W&M ranked 86th in 2015-16. W&M has led the CAA on 12 occasions and ranked among the top three in Virginia 13 times.
- Since 2000, the Tribe's average rank is 123 – fourth in the CAA and sixth in the state.

### National Post-Season

- All-time, the Tribe has made 265 appearances (140 men / 125 women) in national postseason tournaments. Over the last 10 years, W&M has 23 appearances (8 men / 15 women), and since 2000, the Tribe has made 93 appearances (47 men / 46 women).

### National Media Stage

- W&M Athletics has garnered meaningful national attention for the university. This has been primarily achieved in recent years through football success in the postseason.
- The impact of several alumni who are in prominent positions across professional sports contributes to our reputation as the Cradle of Coaches.
- Men's and women's basketball offers the greatest opportunities for national exposure. W&M is one of four institutions never to have made an appearance in the NCAA post-season for men's basketball, and our women's program has not yet appeared in the NCAA post-season. Should these teams be selected for the NCAA Tournament for the first time in history, the impact would be significant. Revenue increases, engagement opportunities, marketing values, and recruitment of students could all see tremendous growth.

### Appendix III: Financial Overview

