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A horizontal banner advertisement for Rosetta Stone Education. On the left, a man is shown from the chest up, looking at a laptop. The background is split into a dark purple section on the left and a bright yellow section on the right. Text in the purple section reads "Discover how one college partnered with Rosetta Stone® to help:". In the yellow section, there is a dark grey button with the text "LEARN MORE >>" and the Rosetta Stone logo (a blue sphere with a white grid) followed by the word "Education".

Struggling Rutgers follows Maryland to Big Ten

Submitted by Allie Grasgreen on November 21, 2012 - 3:00am

Another sports program in desperate need of cash fled, on Tuesday, to the Big Ten Conference (now at 14 members with Monday's addition ^[1] of the University of Maryland), but Rutgers University has a history of spending and athletics growth that make its move particularly noteworthy.

Feuds over athletics at the State University of New Jersey are longstanding and contentious. Despite major opposition from faculty, alumni and students dating to the mid-1990s, Rutgers has continued to escalate spending to new heights. Perhaps even more disturbing to the academic-minded on campus is the fact that 40 percent of the athletic department's budget (nearly \$27 million of a \$60.2 million budget) comes from institutional subsidies -- more than at any other public university. Each student pays nearly \$1,000 each year to support athletics, Bloomberg ^[2] reported. (USA Today ^[3] also publishes a database of each program's revenues and expenses.)

As a result, Rutgers has -- perhaps more than any other Division I institution -- faced intense pressure to scale back its athletics program (whose spending has not paid off in high-profile or profitable athletic success).

But the move to the Big Ten, at least on the surface, seems to do the opposite. Rather than getting a (comparatively measly) \$6 million per year in conference media payouts, Rutgers will get about \$24.6 million from the Big Ten. It will play more competitive teams and get more exposure (the Big Ten has its own television network). The Big East's negotiable exit fee is \$10 million, but Rutgers will likely look to the Big Ten to cover some or all of that.

The university's new president, Robert Barchi, has set a goal of reducing subsidies by \$1 million annually, which Rutgers did achieve last year, he said in a news conference Tuesday. But he also said he did not expect the critics to go away.

"Certainly, having the opportunity to join the Big Ten, with the kinds of opportunities for revenues to flow in the out years, will make it much easier to support the athletics program and at the same time to support other initiatives that we want to do around the university," Barchi said. "There's always more than one point of view; my guess is that there will continue to be more than one point of view."

If the increased television and bowl revenue does go to replace some of those institutional subsidies, said Catherine Lugg, an education professor at Rutgers, this could be a good thing. The operative

word being “if.” (Lugg also noted, somewhat disdainfully, that Monday’s news that Rutgers’s board had approved a merger with the University of Medicine and Dentistry of New Jersey went vastly underreported compared to the university’s [potential conference jump](#) [4].)

“Our students – particularly our undergraduate students – are really overburdened because of the losses in the athletic department,” Lugg said. “The television revenue will be much, much better. But, you know, it could be a snowball going downhill, picking up speed; it could be a melting snowball. It’s just too early to tell.”

Athletics spending at Rutgers has shot up from \$41 million in 2006 to \$64 million in 2010, and a recent football stadium expansion and renovation had the university paying the bulk of a \$100 million price tag.

But some of that excessive spending might actually pay more dividends as Rutgers moves to the Big Ten, said Randy Grant, an economics professor at Linfield College in Oregon and co-author of *[The Economics of Intercollegiate Sports](#)* [5].

“Rutgers has already made the bulk of the investment, and it’s put them in the red a little bit, in terms of how much they have to subsidize the football program,” Grant said. “But it sounds like the return they get from going to the Big Ten will offset a lot of that.”

Academics might take some solace in the admission to the Committee on Institutional Cooperation, the prestigious research collaboration, that will most likely come along with Big Ten membership. (While acknowledging that finances were the main driver in [Maryland’s decision](#) [1] to leave the Atlantic Coast Conference, President Wallace D. Loh said he didn’t know if he would have supported the move had it not been for the CIC, which he insisted will raise the institution’s academic profile.)

Like Maryland officials the day before, Rutgers leaders on Tuesday pointed to the CIC as a major reason for moving. Barchi said the Big Ten makes sense for Rutgers in many ways: focus on research, common university mission and goals, and a commitment to the state.

Athletics director Tim Perneti said the shift would give Rutgers “stability in an unstable time,” and was “critical to our success” in moving forward.

“The Big Ten Conference is the ultimate academic neighborhood to live in, and we’re now in that neighborhood,” Perneti said. “For all our sports, this will provide the ultimate platform of exposure, which not only helps build the brand of this great university, but also helps to recruit and bring good people to this university, which is always our goal.”

However, Rutgers and the Big Ten should carefully weigh the costs and benefits of greater exposure, Grant said.

“It may be a situation where they’re better off to get out [of the Big East] now, while they’re at the top of the conference,” Grant said. (Nine teams have left the Big East in just seven years.) “The danger for the Big Ten – and this affects the benefits for Rutgers, too – is that as these conferences get larger, it’s going to dilute the exposure that the individual members get.”

Further, the Big Ten could find itself facing a situation similar to what the Pacific-12 Conference now has with the addition of the Universities of Colorado and Utah, two underperforming teams that threaten the credibility and reputation of the conference – and in turn bring down the Bowl Championship Rankings of the more powerful teams in the conference, rankings that are crucial for access to the most lucrative and attention-grabbing bowl games. Neither Maryland nor Rutgers is particularly successful in the major sports of football and men’s basketball, especially when

compared to the powerhouse Big Ten programs like Michigan State, Ohio State and Penn State Universities, and the University of Michigan.

The main concern of Patrick Nowlan, executive director of the Rutgers faculty union chapter of the American Association of University Professors and the American Federation of Teachers, is that this move doesn't throw the balance of spending between athletics and academics further out of whack.

"If it's going to recruit great students and great faculty and provide the resources to treat the staff and the adjunct faculty better, then there may be a lot of logic to this move," Nowlan said. "We'll see how this plays out. We just want to make sure that we get the balance on the academics. All these institutions being Association of American University institutions in the Big Ten is probably an important component of that."

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Links:

[1] <http://www.insidehighered.com/news/2012/11/20/maryland-departs-acc-big-ten-conference>

[2] <http://go.bloomberg.com/multimedia/rutgers-athletics/>

[3] <http://usatoday30.usatoday.com/sports/college/story/2012-05-14/ncaa-college-athletics-finances-database/54955804/1>

[4] <http://www.insidehighered.com/quicktakes/2012/11/19/u-maryland-and-rutgers-said-weigh-move-big-ten>

[5] <http://www.amazon.com/Economics-Intercollegiate-Sports-Randy-Grant/dp/9812568808>