

Athletics

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Oregon Debates Role of Big Sports Donors

Some professors warn that large gifts for athletics are creating 2 cultures at the university

By PAUL FAIN

Eugene, Ore.

The Willamette River flows through the heart of this bustling college town. On the southern bank is the University of Oregon's main campus, where backpack-toting freshmen gather in front of a campus map, and students look at leaflets handed out by activist groups.

Across the river, a new face of the university has emerged. Here, a \$160-million facelift has made ultramodern athletics facilities the envy of Oregon's peers. Behind a glass enclosure in the Len Casanova Center is a full-size replica of an Oregon Ducks football player, clad in a high-tech uniform that Oregon-based Nike spent two years designing. It stands guard over trophy cases commemorating the Ducks' recent NCAA basketball-tournament runs and bowl-game appearances.

The chasm between the two sides of the university has grown wider. A scathing newspaper opinion article in January, signed by 92 faculty members, said the university was gambling with its academic future to "become a minor-league training ground for elite athletes." David B. Frohnmayer, the university's president, has called that charge "spurious," saying, "To argue that one must choose academic excellence or athletic excellence is an oversimplification."

Whether academic programs and athletics can peacefully coexist at Oregon depends on private money and the decisions made by two of the most powerful athletics boosters in the country: Nike's co-founder and chairman, Philip H. Knight, and Patrick J. Kilkenny, a big Oregon donor who was hired in February as director of athletics.

Thanks to donors like them, Oregon's sports program has gained national prominence. But with one of the smallest operating budgets among members of the prestigious Association of American Universities, Oregon faces challenges not shared by many of its athletics peers.

Neal Zoumboukos was an assistant coach for Oregon's football team for 27 years. In February he took a job as special assistant to Mr. Kilkenny, serving as an emissary for Oregon athletics to faculty members and others on the campus. Although both he and his boss say their department had for years failed to communicate well with colleagues across the river, Mr. Zoumboukos is mystified by some of the heat Oregon has taken lately.

"We shouldn't be chastised for what we're doing," he says. "We should be complimented."

\$100-Million Cushion

People assembled for a news conference in August gasped when the university announced that Mr. Knight and his wife, Penny, planned to give \$100-million to the athletics department. The gift pushed the university past its goal of \$600-million for its six-year capital campaign, which now stands at \$717-million. Although last week the

university also received a \$74.5-million gift for science and research, critics have assailed the campaign's emphasis on athletics: Almost 40 percent of the money raised will be spent on sports.

Mr. Frohnmayer, the university's president since 1994, says spending on athletics is an investment in the entire institution. He also says that more than three-quarters of the university's spending on facilities over the last decade has been for academic and student activities rather than for athletics.

"These are not cultures that have to clash," says Mr. Frohnmayer, noting that many elite research universities excel in athletics. "You don't have to buy into the story that you'll sell out your academic soul."

The cash infusion from Mr. Knight was well timed. Oregon proudly proclaims that it has recently joined the small handful of universities with self-supporting athletics departments. But university officials acknowledge that shrinking proceeds from a few bad seasons of football would be enough to put the department back in the red.

Mr. Knight's gift will create an athletics "legacy fund" to cover any spillover costs from sports ventures, further walling the athletics department off from the university's operating budget.

But Oregon still faces serious financial risks, most notably in the \$200-million basketball arena it wants to build to replace the 81-year-old MacArthur Court. It plans to pay for the arena entirely with state bonds. University officials say they are confident that private gifts and revenue from the sophisticated new arena will cover the huge debt.

Many faculty members aren't so sure. "They're potentially mortgaging the academic future of the university to build an ultraopulent facility," says Nathan Tublitz, a professor of biology at Oregon since 1986.

Misdirected Priorities?

The university has had episodic success in athletics over its history and is a perennial power in track and field, a sport that Mr. Knight participated in there. Oregon is among a group of strivers, including the University of Louisville, Clemson University, and Oklahoma State University, that have relied heavily on private donations to forge a path into big-time sports.

Jeffrey L. Stinson, an assistant professor of marketing at North Dakota State University who has studied athletics fund raising, says those are "Tier 2 and Tier 3" institutions that are hoping the money and clout gained from athletics success will ripple throughout their operations.

The benefit of having nationally ranked football and basketball teams is obvious, Oregon officials say.

"People want to be part of a winner," says Mr. Kilkenny from his second-floor corner office in the Casanova Center. "Outside of the state of Oregon, the strongest and most effective way for the university to sell itself is through its sports programs."

A former insurance executive who has given millions to Oregon athletics, Mr. Kilkenny is described by even his critics as a straight shooter. He was recruited to cover most of the \$2-million severance agreement the university paid to Bill Moos, its former athletic director, and was later asked by Mr. Frohnmayer to fill the vacant slot.

Mr. Kilkenny donates his \$500,000 annual salary to the university and says he is set to make a major gift to the academic enterprise. But he remains an outsider to some faculty members, who have criticized his credentials and his vision for Oregon sports.

Mr. Tublitz, the biology professor, who is also co-chair of the Coalition on Intercollegiate Athletics, a national reform group, believes Oregon is a microcosm of all that is wrong with intercollegiate athletics.

"We are at the forefront of all the problems," he says from his cluttered laboratory, blaming a "misdirection of priorities." He totes around a PowerPoint presentation, which he has scrolled through for state lawmakers,

highlighting statistics he says show a dip in the university's academic quality and reputation, such as a gradual drop in graduate-student enrollment, and relatively low faculty salaries and graduation rates.

While conceding "unmet needs" such as lagging faculty pay and old buildings, Mr. Frohnmayer says Oregon's academic programs are on solid footing, and that an ailing state economy, not the rise of athletics, is to blame for financial tension. State budget contributions, which once covered 32 percent of the university's annual operating costs, are now only 13 percent, substantially less than the national average.

He says the enthusiasm generated by winning teams translates to national exposure, donations, and student applications.

"That single O is now a world-recognized brand," Mr. Frohnmayer says of Oregon's logo, the outside of which is the shape of the university's football stadium, with the basketball arena on the inside. "We actually see the pour-over effect helping the academic side."

James M. O'Fallon, a professor at Oregon's law school since 1981 and the faculty athletics representative to the NCAA, says Oregon's athletics programs put the university on a perceived playing field with the University of California at Berkeley, Stanford University, and other elite institutions in their conference, the Pac-10.

"I think that success in athletics helps sustain, in the public's eye, that we're a quality institution," he says.

A Doormat No More

Mr. Frohnmayer says his predecessors, including Myles Brand, the NCAA's president, who led Oregon from 1989 to 1994, decided a mediocre athletics program wasn't worth investing in.

"If we're going to compete, we need to compete," he says of the decision to spend more.

Everything lined up for the Ducks in 1994, when the football team earned its first Rose Bowl berth in 37 years. Although they lost the game, Oregon reeled in TV money and donations and finally proved it was no longer a doormat.

R. Michael Bellotti took over the football team the next year and has brought it to new heights. Even critics of Oregon athletics praise his stewardship.

But Oregon has hardly been content with having a good football program — it wants to be a household name. In 2001 the university raised eyebrows nationwide when it spent \$250,000 on a 10-story billboard in Times Square that celebrated then-quarterback Joey Harrington.

The billboard took the practice of promoting players to a "new level of extravagance," a *New York Times* editorial said, illustrating the "skewed priorities of high-powered college athletic programs."

James W. Earl, a professor of English at Oregon, has long bemoaned skewed priorities at the university. He has been on Oregon's faculty for 20 years and is co-founder of the Coalition on Intercollegiate Athletics, a group made up of 56 faculty senates from universities with the largest and most prominent sports programs.

Mr. Earl says he enjoys the pageantry of football at Oregon: "The games are fabulous. What's to complain about?" And he likes Mr. Kilkeny and Oregon's other decision makers, who he says are honest and "believe they're doing the right thing." But he thinks the university's sports push has come at the expense of academic programs.

University administrators say the large sums spent on athletics include rare capital expenses. The \$100-million upgrade of Oregon's Autzen Stadium was a once-in-a-generation effort, says Mr. Frohnmayer, while building a \$200-million basketball arena happens only once in a lifetime.

Mr. Earl says he has not seen any signs that Oregon's sports appetite will subside, noting the recent decision to start a baseball team. Sports are "bigger than us," he says, referring to academic programs, "and the rest of us shrink."

Becoming the Gold Standard

Oregon has 40 fund raisers, nine of whom work for the athletics department. According to Mr. Kilkenny and Allan H. Price, vice president for university advancement since 2001, the two development arms have improved their collaboration in recent years.

But Mr. Price says the university "has been less than effective in getting the message out" that athletics fund raising helps the whole institution. Although a recent *Chronicle* report found that donations to athletics are eating into money for academic programs at many universities, Mr. Price says that has not been the case at Oregon.

The high profile of sports serves as a window to the university, he says, and athletics donors often become donors to academic programs.

That has certainly happened with David M. Petrone, chairman of the Housing Capital Company, which is based in the San Francisco Bay Area. An Oregon alumnus passionate about sports, Mr. Petrone began writing \$1,000 checks to the Oregon athletics program 15 years ago. As his gifts grew over the years, Mr. Petrone says he "got closer to the university." Of the more than \$5-million he has given, more than half has gone to academics, most notably a \$2.5-million gift three years ago that he spread broadly over the College of Arts and Sciences. He plans another gift in which he will match at least \$25,000 in donations by the university's football coaches to Oregon's library.

"More and more people are giving to both sides of the university," says Mr. Petrone, who has also served as a trustee of the university foundation.

The Backyard Benefactor

Conversations about money and athletics at Oregon invariably lead to Mr. Knight, the Nike chairman. With a net worth of about \$8-billion, he casts a large shadow in Eugene. He can sometimes be glimpsed in his luxury box at Autzen Stadium, but is hardly ever seen without wraparound sunglasses. He did not respond to a request for an interview.

Mr. Knight has contributed many millions of dollars to the university in addition to his \$100-million gift this year. Besides sizable gifts for the football stadium's expansion, construction of an indoor football-practice facility, and support of the track program, Mr. Knight has also given \$52.4-million for the university's library, law-school building, and endowed faculty chairs, among other gifts, making him Oregon's second-largest donor to academic programs.

His influence on the campus is legendary. He talks regularly with university officials and coaches, and critics say his money has bought him far too much access. During football games, Mr. Knight reportedly dons a headset to listen in to coaches' play-calling.

But relations have not always been rosy between Mr. Knight and his alma mater.

He officially severed ties with the university for 17 months after April 2000, when Oregon joined an antisweatshop group, the Worker Rights Consortium. Mr. Knight also publicly clashed with Mr. Moos, the former athletic director.

"Bill Moos had 10 chances to make the right decision ... and missed every one of them," Mr. Knight said in a 2005 written statement to *The Oregonian* newspaper. "It's hard to be that perfect."

In August 2006, Mr. Knight gave \$105-million to Stanford University's Graduate School of Business, of which

he is an alumnus. Some people at Oregon thought the huge gift was a not-so-subtle message that Mr. Knight was unhappy with university officials. Plans for the expensive basketball arena were said to be in jeopardy. But since Mr. Kilkenny's arrival in February, the university's relations with Mr. Knight appear to be smooth again.

Game Day

On a sunny Thursday last month, ESPN's *College GameDay* was building its set near Autzen Stadium. The popular show, which moves from campus to campus during the football season, was visiting the university for only the second time. In anticipation of the game, many students were wearing Oregon football attire, much of it adorned with Nike swooshes.

Allie Grasgreen is a sophomore. A journalism student, she has written about tensions between academics and athletics at the university for the student newspaper, the *Oregon Daily Emerald*.

That Thursday, 48 hours before Oregon's football team was scheduled to square off against a strong Berkeley program, she said she worried that "people won't take the academic sector seriously" at her university, viewing it only as an athletics "juggernaut."

Although Ms. Grasgreen is well versed on the financial and reputational risks Oregon is taking to build a sports machine, she also represents the payoff. After all, she admits, one of the reasons she came to Oregon was its football team.

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