

From the Arena, Not the Sidelines: College Athletics Is Running Out of Time

By

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The Ohio State athletic department won the College Football Playoff national championship in January 2025 and lost \$37.7 million in the same fiscal year. Penn State is now the most leveraged public athletic program in the country, carrying \$534 million in athletics-related debt. Rutgers has accumulated \$516.9 million in total athletic losses since joining the Big Ten in 2014. And Louisville — a program that generates \$1.28 billion annually in economic impact for our city and Commonwealth — is running a \$12.5 million deficit with reserves drawn down from \$34 million to \$3.4 million.

These are not stories of mismanagement. They are symptoms of a structural crisis that no individual institution can fix on its own.

We write not as observers or commentators, but as the president, athletic director, and board chairman of a Power Four university who live these numbers every day — in budget meetings, in conversations with coaches and student-athletes, and in briefings with our board. We have watched a system that was already straining under its own contradictions get hit simultaneously by litigation, the NIL era, and the House v. NCAA settlement's new direct compensation obligations. The math no longer works. And the time for incremental tinkering has passed.

The goal of this article is not to assign blame or relitigate how we arrived here. It is to tell a national story through the lens of one athletic department — ours — in the belief that what we are experiencing in Louisville is what athletic directors, presidents and trustees across the country are experiencing right now, whether they are saying so publicly or not. And it is to make the case for three structural reforms that, taken together, could actually save college athletics before it's too late.

INSIGHT INTO ONE ATHLETIC DEPARTMENT

Before we address what threatens college sports, it is important to understand what is at stake. Yes, we're telling this national story through the lens of a single athletic department, university and

community — but we're confident our issues are the same facing most, if not all, athletic departments across the country.

The goals of our athletic department are simple. We want to provide access and opportunity for young people to receive a degree from the University of Louisville through participation in one of our 23 sports. Next, we are tasked with ensuring those same students have a great experience while they participate in college athletics and compete for the University of Louisville. Lastly, we strive to be highly competitive and compete to win ACC and NCAA Championships. Without competitive success, our financial problems will only continue to grow, not just for our department, but for our entire community.

In this tumultuous time of evolution and change in college athletics, the cynic will tell you, "academics are irrelevant" — they are wrong. The graduation success rate of our student-athletes exceeded 96% this past year. The cumulative GPA of our approximately 650 student-athletes during the 2024–2025 academic year was a 3.4. We had nearly 100 students with a perfect 4.0 GPA this past fall semester. Our women's swimming team that most recently finished 7th at the NCAA National Championship meet had a team GPA of 3.62. The Louisville Cardinal Baseball team that competed at the most recent College World Series had a team GPA of 3.55. We take the responsibility of graduating and preparing our student-athletes for success after sport very seriously, and we're proud of the results.

We provide countless resources to our student-athletes to ensure they have the tools necessary to be successful in and out of the classroom. Our support services include academic advising, sports medicine, mental health and having dietitians on staff.

ATHLETIC DEPARTMENTS ARE ECONOMIC ENGINES

The competitive success of our teams is paramount in a city like Louisville. Our community does not have an NBA, NHL, NFL, MLS, WNBA or MLB team within 100 miles. The University of Louisville's sports teams are who this city cheers for, plain and simple. Communities revolve around college sports. Louisville certainly does — but so does Stillwater, Oklahoma, and Morgantown, West Virginia, and Manhattan, Kansas, and hundreds of other cities and towns across America. Too often, especially in Washington and on the coasts, people forget how important college athletics is to so many people. It is worth saving.

An independent, comprehensive valuation conducted by Collegiate Consulting confirms what the Louisville community experiences every day: Cardinal Athletics delivers extraordinary return well beyond the scoreboard.¹ Over the three academic years from FY2023 through FY2025, Louisville Athletics generated nearly \$3.84 billion in total economic impact, averaging \$1.28 billion annually. That figure reflects direct spending, secondary ripple effects and induced economic activity tied to events, staffing, student-athletes, visitors and external revenues. In practical terms, it means jobs supported, businesses strengthened and sustained economic activity flowing through the Louisville region and the Commonwealth of Kentucky year-round.

Through national broadcasts, streaming platforms, social media, radio and print coverage, Louisville Athletics delivered more than \$2.3 billion in brand exposure value over the same three

years. To replicate that level of national visibility through paid advertising would require an estimated \$700 million investment. That exposure elevates the University of Louisville far beyond athletics — supporting student recruitment, enrollment interest, philanthropy, partnerships and institutional reputation on a national scale.

Game days, championships, camps and hosted events produced over \$721 million in direct economic activity in just three years. Football alone accounted for roughly 60% of that impact, but sustained growth across basketball, volleyball, baseball and NCAA championship hosting demonstrates the breadth of Louisville's event-driven influence. These events fill hotels, restaurants and entertainment districts — reinforcing Cardinal Athletics as a cornerstone of the city's visitor economy. Louisville's hosting of four NCAA championship events alone generated \$53 million in economic impact while drawing over 150,000 visitors to the region.

The impact extends well beyond dollars. While student-athletes comprise less than four percent of the incoming student body, their influence is outsized. Incoming student-athletes consistently raise overall academic averages, and by FY2025, every dollar of institutional financial aid invested in student-athletes returned \$2.47 in economic value. Over the three-year study period, student-athletes, spirit team members and graduate assistants accounted for \$46.46 million in tuition and fees. Beyond campus, student-athletes contributed over 13,700 hours of community service, producing nearly \$1 million in economic and social value through volunteerism alone.

Louisville Athletics is not simply a competitive enterprise — it is a strategic asset for the University, the city and the Commonwealth of Kentucky. It fuels the local economy, amplifies the University's brand nationally, attracts visitors and investment, strengthens academic outcomes and deepens community pride. Losing any part of this engine would not only diminish Louisville — it would weaken the broader economic and social fabric of the region.

THE FINANCIAL CRISIS FACING COLLEGE ATHLETICS

The numbers cited above only scratch the surface. Yet despite generating more than a billion dollars a year in economic impact, Louisville's athletic department — like most programs nationwide — operates in the red. Our current athletic budget reflects expenditures of approximately \$167.4 million against revenues of \$154.9 million, a deficit of \$12.5 million. That gap is projected to widen significantly under the House v. NCAA settlement, which has added an additional \$20.5 million in new direct athlete compensation obligations.

To bridge these shortfalls, Louisville has relied on a \$12 million institutional subsidy, a \$200-per-student athletic fee and a \$25 million line of credit. Reserves that once stood at \$34 million have been drawn down to approximately \$3.4 million. These are not signs of mismanagement; they are symptoms of a structural problem that no single institution can solve on its own. Louisville's situation is not the exception — it is the rule. Across the country, from the wealthiest programs in the nation to those fighting simply to stay afloat, the financial picture is remarkably and alarmingly similar.

The full scope of the crisis runs deeper than those opening figures suggest. Ohio State's \$37.7 million deficit came despite generating nearly \$255 million in revenue, and its outgoing athletic

director acknowledged going “berserk” with spending to chase a title — the university’s actual FY2025 spending subsequently came in at \$320 million, the highest in college athletics history.² Rutgers’ \$516.9 million in accumulated losses since joining the Big Ten in 2014 reflects spending that has surged 175 percent in eleven years, with its new athletic director projecting expenditures exceeding \$200 million in the current fiscal year — before a single dollar of House settlement revenue-sharing is factored in.³ Penn State closed FY2025 with \$534.7 million in athletics-related debt — more than tripling the prior year — driven largely by the \$700 million renovation of Beaver Stadium.⁴ Florida State’s \$437 million debt represents a \$200 million increase in a single fiscal cycle.⁵ The University of Texas set a new national record with \$375.9 million in operating expenses in FY2025 — a \$50 million jump over its own previous record — while carrying \$192.2 million in athletics-related debt.⁶ Even Colorado, buoyed by renewed fan enthusiasm, projects a \$27 million department deficit for FY2026 driven primarily by the \$20.5 million revenue-sharing cap under the House settlement and a near-doubling of head football coach Deion Sanders’ salary.⁷

THE PARADOX OF NIL AND REVENUE SHARING

The advent of name, image and likeness rights and the coming era of direct revenue sharing have been celebrated as long-overdue compensation for college athletes. We do not disagree that student-athletes deserve to share in the value they create. But the uncomfortable reality is that, as currently structured, these changes benefit a small number of athletes in a handful of sports while placing enormous pressure on everyone else.

At Louisville, we sponsor 23 sports, 14 for women and nine for men. Twenty-one of these sports operate in the red, and two operate in the black — and we’re considered one of the lucky few. Our football program is expected to spend approximately \$30 million on financial aid, salaries, and operating costs, this total does not include revenue sharing expenses. Our football and men’s basketball program are the economic engine that subsidizes 21 other varsity programs. Our baseball program — the one that is in the nation’s top five for wins over the last 20 years — is estimated to lose over \$4 million for the 2026 season. Our women’s basketball program, which has won at least 20 games for 16 consecutive seasons, will have expenses that exceed revenues by over \$4 million. Our Men’s and Women’s Swimming and Diving and Track and Field teams will cost our department nearly \$6 million to operate this fiscal year.

The competitiveness of football and men’s basketball necessitates escalated spending — in coaching salaries, facilities, recruiting and now direct player compensation. To maximize department revenues, we must continue to do everything we can to remain competitive in both sports. Fan support is contingent upon competitive success. Twenty five percent of ACC conference gross revenues are distributed via overall viewership numbers for football and men’s basketball. The College Football Playoff revenues are no longer equally distributed among ACC members, as significant portions are now being distributed based on play-off success. As we recently witnessed with Miami’s CFP success, they secured a \$20 million payday for their department.

The consequence is a zero-sum calculus. Every additional dollar directed toward football and men’s basketball is a dollar that is not available for the swimmer, the field hockey player, the track athlete or the rower. Olympic sport student-athletes face reduced cost-of-attendance stipends, diminished

Alston payments and the very real threat of scholarship reductions — or outright program elimination — as athletic departments scramble to fund the revenue sports that keep the enterprise afloat.

This is the paradox: a system designed to help college athletes is, in practice, concentrating resources among a few, while eroding support for the many. Nationally, women's sports and non-revenue Olympic sports are the most vulnerable. These are the programs that provide life-changing opportunities for the high jumper at Washington State, the softball player at Fresno State and the cross-country runner at Louisville — opportunities that matter just as much as those afforded to any football player at any program in the country.

THE PATH FORWARD

We applaud all of those in and around the college sports industry who have come forward in recent months with ideas and potential solutions. No idea should be considered a “non-starter.” We recognize that where an institution stands depends on where they sit. A variety of factors come into play when schools are deciding what solutions might work best for them. These are complicated issues with a variety of potential solutions. However, we do passionately believe that there are three things that must happen: Congressional action, a governing body that can actually govern, and a hard and enforceable spending cap.

Congressional Action

The cynics will say, “Congress shouldn't be involved in college sports.” We would argue that just like any other industry that has been unable or unwilling to govern itself, Congress must get involved before it is too late. For this to happen, industry constituencies must coalesce around a practical solution that provides support and protections to all involved. As opposed to being governed by patchwork lawsuit settlements, disparate state laws and constantly changing rules and regulations, we challenge all involved — student-athletes, conference commissioners, university presidents, and athletic directors — to come together to support a legislative fix that provides protections to all involved.

There are many drafts of bills and ideas that have been floated over the past few years by those inside and outside of Capitol Hill. The SCORE Act (Student Compensation and Opportunity through Rights and Endorsements) addresses some important governance and eligibility issues, while the SAFE Act (Student Athlete Fairness and Enforcement) goes further by proposing amendments to the Sports Broadcasting Act. We also believe that an amendment to the Sports Broadcasting Act of 1961 should be under consideration. The law granted professional sports leagues — including the NFL — an antitrust exemption that allows the league to bundle and sell the television rights of all their franchises collectively. College athletics has no such exemption. Instead, individual conferences negotiate their own media deals, resulting in a wildly fragmented marketplace. One independent analysis suggests that if college athletics were granted a similar exemption and could negotiate media rights as one unified entity, the resulting deals could generate between two to three times the current media rights revenue. Other analysis suggests a lower number. Regardless, the revenue would not need to be split evenly — schools that generate more

viewership could still receive proportionally more — but the rising tide would lift every institution. For a school and conference like Louisville and the ACC, this could be transformational. It could mean the difference between budget deficits and sustainability, between cutting programs and expanding opportunities. Again, we don't have all the answers nor are we experts — but we believe that everything should be on the table.

Any congressional action should address federal preemption. Right now, more than thirty states have different laws regarding NIL and enforcement. State courts and state attorneys general deliver contradictory rulings that impact eligibility, enforcement and finances. What is permissible in one state is prohibited in another. That is simply unsustainable if we are trying to solve for national problems. At a minimum, federal legislation should make the playing field fair.

Again, we don't have the answers, but we know that congressional action is a key piece of the pyramid to addressing the college sports crisis. Passage of the SCORE act by the House of Representatives would be an important step in the right direction. Passing legislation in the House would transition the debate to the Senate, where there has been increased support to adjust or amend the Sports Broadcasting Act to include college sports.

Governance

When we think of governance of any entity, we think of leadership that is respected, proactive, fairly enforces the rules and works for the benefit of the whole, not the part. Currently in our college sports system, we have the National Collegiate Athletic Association (NCAA), the College Sports Commission (CSC), the conferences themselves and — as noted above — states involving themselves in the governance of college sports. This collection of oversight is not working and alternatives should be considered.

As a result of the terms of the House settlement, the major conferences established the College Sports Commission to codify the rules and to enforce them. To date, that has been a struggle. Conferences and institutions cannot even agree on the terms of a Participation Agreement that would bind schools to the rules and procedures. The threat of lawsuits over any CSC actions looms heavy. The entity has also come under criticism for the delays in approving or denying student-athlete NIL deals and what deals count as “legitimate.” This is not putting blame on the men and women of the CSC or even the CSC itself. Actually, we applaud their efforts in this current environment. Rather, we are simply pointing out that — to date — there has been no true enforcement of a hard spending cap, inclusive of revenue-sharing and “above the cap” NIL deals.

Perhaps the best solution is start from scratch in the form of a congressionally chartered governing body that could provide a more durable and coherent framework for intercollegiate athletics. Such a body could establish uniform national standards that address longstanding structural challenges while withstanding legal scrutiny. These standards should explicitly advance gender equity, ensure a sustainable balance between revenue and non-revenue sports, and preserve the Olympic sports model that remains central to higher education's public mission.

If not a new entity, the NCAA must be given the power to set and enforce a standard set of rules so that everyone involved can either abide by these rules or be subject to strict and harsh penalties.

We don't think anyone will disagree that the NCAA was too slow and, in some cases, derelict relative to the changing landscape of college athletics. Those decisions were made under previous leadership. If given the opportunity to enforce rules without being subject to countless lawsuits, is the NCAA the appropriate governing body? This is a question that must be answered by objective decision makers.

Equally important, a new governance structure should re-center policy on the educational purpose of college athletics. For example, having clearly defined eligibility limits would help protect the traditional 18–23-year-old collegiate experience, while reasonable constraints on transfers would promote academic continuity and graduation rates while reducing the incentives for perpetual roster movement. Together, these reforms would align athletic participation more closely with institutional values and academic outcomes.

We encourage our peers and others to bring forward ideas beyond what is already being contemplated. We all know that change is needed but we are stymied by the process for that change and consensus on the solution. That falls on all of us.

Spending Cap and Enforcement

With the financial challenges facing athletic departments, new revenue alone will not solve the crisis if spending continues to escalate without restraint. College athletics needs what every successful professional sports league already has: a hard and enforceable spending cap. The NFL's salary cap is the model. It ensures competitive balance, prevents any single franchise from spending its way to permanent dominance, and — critically — guarantees that a defined share of revenue flows to players while the remainder supports the broader operations of the league. There are agreed-upon rules and procedures.

We must all agree on a system that reins in the arms race in coaching salaries and transfer-portal bidding wars, protects non-revenue sports from being squeezed out, ensures that revenue sharing with student-athletes is sustainable and predictable, and allows schools of all sizes to compete without bankrupting themselves. Without a hard and enforceable cap, the current trajectory is clear: a small number of programs will spend whatever it takes to dominate, the middle class of college athletics will hollow out, and hundreds of programs will be forced to cut sports, reduce scholarships, and abandon the student-athletes who depend on them.

Let us be clear, an established spending cap is not a cap on student-athlete earnings. It is a cap on what each institution can spend relative to established revenue-sharing guidelines and rules without the current workarounds that in essence all due to competitive dynamics compel the school to subsidize at far greater than the reported revenue share cap. We welcome a true and honest marketplace where student-athletes have the ability to use their fame and notoriety either locally or nationally to increase their value. This is no different than athletes in the other professional leagues. The biggest and most recognizable names earn the most money.

LOUISVILLE'S COMMITMENT

The University of Louisville is committed to being part of the solution. We will advocate for structural reform that has the potential to create a unified governance structure, a consolidation of media rights while retaining conference viability, mechanisms that provide for responsible spending controls, and most importantly, create the opportunity for the voices of all student-athletes to be heard. We will continue to invest in the academic, athletic and personal development of every Cardinal student-athlete. And we will continue to speak plainly about the stakes: if we fail to act, the enterprise that generates \$1.28 billion a year for the Louisville economy, that provides life-changing opportunities for hundreds of young people, and that binds our community together will be diminished beyond recognition.

The time for incremental tinkering has passed. College athletics needs structural reform, and it needs it now. We are proud to stand with the growing coalition of university leaders, board chairs and advocates who are committed to saving college sports for the next generation.

References

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