

Show Us the Numbers



Mark Rahdert, Professor of Law

I confess that I like college football. When I was a kid in the Midwest, it was always a huge treat when my father took me to one of our local university's football games. I loved the pageantry, the color, the marching band, and the excitement when our team did well. As I grew up I always imagined that college football was an integral part of the college experience.

But that was back in the days (I won't confess how long ago) when, except in a few major venues, college football was not the big business it is today. It cost a lot less to field a good team in most conferences; conference play itself was regional; and a decent stadium could be built for a few million dollars.

Fast forward to today when college football teams have become the pre-professional minor leagues for the NFL, head coaches are paid salaries in the millions, conferences have to have national scope to attract decent TV audiences, and stadiums – even relatively small ones – cost in the hundreds of millions of dollars. Is college football still the integral part of the college experience that I imagined it was as a kid? And even so, is it worth today's massively greater price tag? More particularly to our situation, is that a price tag that we at Temple can afford?

At Temple, we have a President and a Board of Trustees who have essentially answered those questions (with apologies to Barack Obama) with a resounding "Yes We Can!" (I know they have officially authorized only a "feasibility study," but I think we can all see past that fig leaf.) The inevitability of that conclusion probably should have been apparent to any reasonably observant member of our community in the period since the canceling of several other intercollegiate sports a couple of years ago. Anyone who has driven or walked through the portion of the campus that lies west of Broad Street has witnessed lots of preparation for that eventuality. It became official this month when the Board voted to go forward with the stadium project that will be built over there, on the relatively few remaining acres of the Main Campus that until now have remained available for potential future expansion or development.

Like many other faculty members, I was disappointed that this decision was taken without any real attempt by the University administration or the Board to involve faculty members in the formative stages of the decisional process. To the extent we've had any input at all, it has been symbolic at best, coming long after the decision had been functionally (though not formally) made. I suspect we weren't asked to be involved because the University didn't want to hear what we might have to say, for fear that at least some of it might have been critical. Many faculty members are skeptical of the value of football at an urban university like Temple, and many of us are concerned that a large investment in football will deplete precious and scarce resources that might be better invested in upgrading our academic programs or facilities.

Had I been asked about the stadium, I would have worried a lot about how we were going to pay for it given our historically limited endowment, our declining support from the Commonwealth, and our historically high tuition for a public urban university. I would have asked whether spending our money on a new stadium really made the best sense for the University's future. My chief concern, though, would have been the *opportunity cost* of a long-term investment in big-time football. If we spend our money on that, what other investments – for example, in new academic facilities or programs, or in new faculty lines, or in potentially world-changing research – will be curtailed or foreclosed by the decision? I have a sinking sense that no one has taken a hard and realistic look at what those opportunity costs might actually be.

Well, the decision is the Board's to make, and they have made it. As I understand it, they have made the decision in part on the strength of assurances by the administration that the stadium can be built with no additional cost to students beyond what we pay now to use Lincoln Financial Field. Forgive me for saying so, but that sounds a little overly optimistic to me. From what I understand, that sort of claim has been made elsewhere in the run-up to a new stadium, only to be disproven by actual experience after the stadium was built.

So if one would appreciate it if the administration and the Board would show us the numbers. In particular, at a minimum I would like to know what assumptions are being made about how much the stadium will cost to build; the cost of operating the stadium after it is built; the revenue that it is expected to bring in (and where that revenue will come from); the sources, amounts and timing of expected financial contributions from donors; the cost of debt service on any credit that is used to build the stadium and how that will be paid; what will happen in the future if expected financial support and revenues don't materialize; the future costs of running the football program itself; and how those will be budgeted. I'd also love to know whether the calculus includes any kind of cushion in case construction costs exceed expectations, and what other costs (such as expansion and upgrades to University parking, or improvements to access streets for the parking) will be contemplated to make the stadium accessible. And I'd love to know whether these calculations are based on actual experience at other universities, and if so which ones.

Part of what drew people to the football games that I attended as a kid was the fact that college football was literally the only game in town, so that if people wanted to experience the color, pageantry and excitement of the game, they pretty much had to buy tickets to the college's home games. For that reason (and because the university had a perennially good team that was regularly competitive in its

conference), the stadium was usually packed for even run-of-the-mill home games. But here in Philadelphia, college football will always be second fiddle. The Eagles dominate this turf. And even at the college level, Temple will hardly be the only game in town.

President Theobald came to Temple with a promise of greater financial transparency at the University, and with responsibility-based budgeting he has taken some steps in that direction – although the practice has fallen pretty far short of the theory, in my opinion. But I think it is only fair to students, faculty, staff, and the community for the administration and Board to give us some *real* financial transparency about the stadium. As I often say to my students on their papers and exams, don't just give us your conclusions; *show us how you got there*, so we can make our own judgments about whether those conclusions really make sense. Persuade us that the decision you made is sound. Anything less and I will remain where I am now – unpersuaded, skeptical, worried about unanticipated consequences, and disappointed to have been excluded from any sort of meaningful dialogue about what could be a massive financial mistake with long term opportunity costs that students, faculty, and maybe even the Board itself will eventually come to regret. ♦