UNSUSTAINABLE GROWTH IN SPENDING FOR SPORTS AMPLIFIES BROADER FINANCIAL PRESSURE ON COLLEGES AND UNIVERSITIES

How the athletics arms race is shifting costs onto universities, students, and taxpayers

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College Sports' Spending Spiral

American colleges and universities are already under extraordinary financial strain, confronting rising operating costs, enrollment challenges, deferred maintenance, and growing pressure to keep tuition affordable. Yet even as institutions make difficult choices about academic programs, faculty and staff, and student services, many are committing ever-larger sums to an increasingly expensive college football arms race.

- According to a July 2026 Government Accountability Office report, **94 percent of all Division I athletics programs now spend more than they generate** in athletics revenue in academic year 2023-24[i], resulting in campus deficits that must be covered through institutional subsidies, student fees, public support, or resources that could otherwise strengthen the academic mission.
- Even the top sports schools with major media deals now rely on university subsidies or mandatory student fees. According to the Knight-Newhouse College Athletics Database, **only 14 of 53 publicly reported Power 4 athletic departments generated enough revenue to cover expenses** in 2024–25. And even those 14 schools depend significantly on donor money to stay afloat.
- Meanwhile, since 2023, **colleges have eliminated more than 100 women's and Olympic sports programs.** This is an especially stark consequence of a system in which escalating football expenditures can crowd out opportunities for other student-athletes.

This report examines how unsustainable athletics spending is amplifying the broader fiscal pressures facing higher education, and why policymakers and university leaders are calling for federal legislation that can provide greater transparency, accountability, and financial discipline in college sports.

$120.3M	$519.9M	87%
Median reported athletics debt among Power Four colleges.[ii]	Increase in institutional/government support, 2015 versus 2025, across 53 Power Four schools with publicly-available data.[iii]	Of non-Power Four schools had mandatory student athletics fees in 2023-24.[iv]

The Arms Race Burden

Escalating costs of the college football arms race are creating massive debts for athletics departments, consuming colleges' general funds, drawing down their endowments, reaching into the wallets of non-athlete undergrads, and even luring direct contributions from state taxpayers.

BURDENING ATHLETIC DEPTS.

Nearly all Power Four Conference colleges now carry athletics debt, with a median debt of $120.3 million. Twenty percent of Power colleges have debt of $219.6 million or more.[v]

BURDENING GENERAL FUNDS

Among schools in power conferences, contributions from general funds to support athletics have nearly tripled from 2015-2024, increasing from $445 million to $1.2 billion.

BURDENING ENDOWMENTS

The percentage of annual operating budgets being funded by endowments reached an all-time high of 15.2% in FY 2025, a significant increase from 10.9% in FY23. One report notes that a rate in the mid-four-percent range was more common in the 1980s.[vi]

BURDENING STUDENTS

In the 2023-24 academic year, 87 percent of non-Power Four colleges required all students to pay mandatory fees to fund athletics, along with 48 percent of Power Four colleges. These fees continue to increase at many schools that deploy them, and some are implementing them for the first time.[vii]

TAXPAYERS ARE FOOTING THE BILL

Within the past year, legislatures in Connecticut, Wisconsin, New Jersey, Arkansas, Louisiana, and Florida have earmarked state tax dollars, raised taxes, or created significant tax breaks to benefit college athletics. At the heart of these skyrocketing costs is the arms race among conference, coaches, agents, and collectives seeking to outspend one another with the goal of competing for players, coaches, facilities, and national titles.

From 2005-2023, schools saw increases of 322% in recruiting costs, nearly 300% in sports equipment, around 250% in both medical and gameday expenses, and more than 200% in travel. Coaching salaries increased a whopping 370% over the same time period.[viii] And the problem is accelerating. Two years after a roughly $20 million roster was considered exceptional, industry surveys in 2026 placed several leading programs at $40 million or more.[ix]

Athletics Debt is Putting Universities At Risk

MAJOR UNIVERSITIES ARE RISKING THEIR FINANCIAL HEALTH COVERING FOR OVERSPENDING ON ATHLETICS

University presidents, trustees, and alumni are beginning to sound the alarm about athletics debt, especially at power conference schools, which include many of America's leading research institutions.

Among Power Four Conference colleges, the median debt reported for the 2023-2024 year was $120.3 million. Eighty percent reported debt of at least $86.3 million, and 20% reported debt of $219.6 million or more.[x]

PennState

Penn State University carries $534.7 million in athletic department debt, due in large part to renovations at the school's football stadium.[xi]

Florida State reported $437 million in athletics-related debt in FY2025, largely tied to revenue bonds for Doak Campbell Stadium renovations and a football operations center.[xii]

Cal

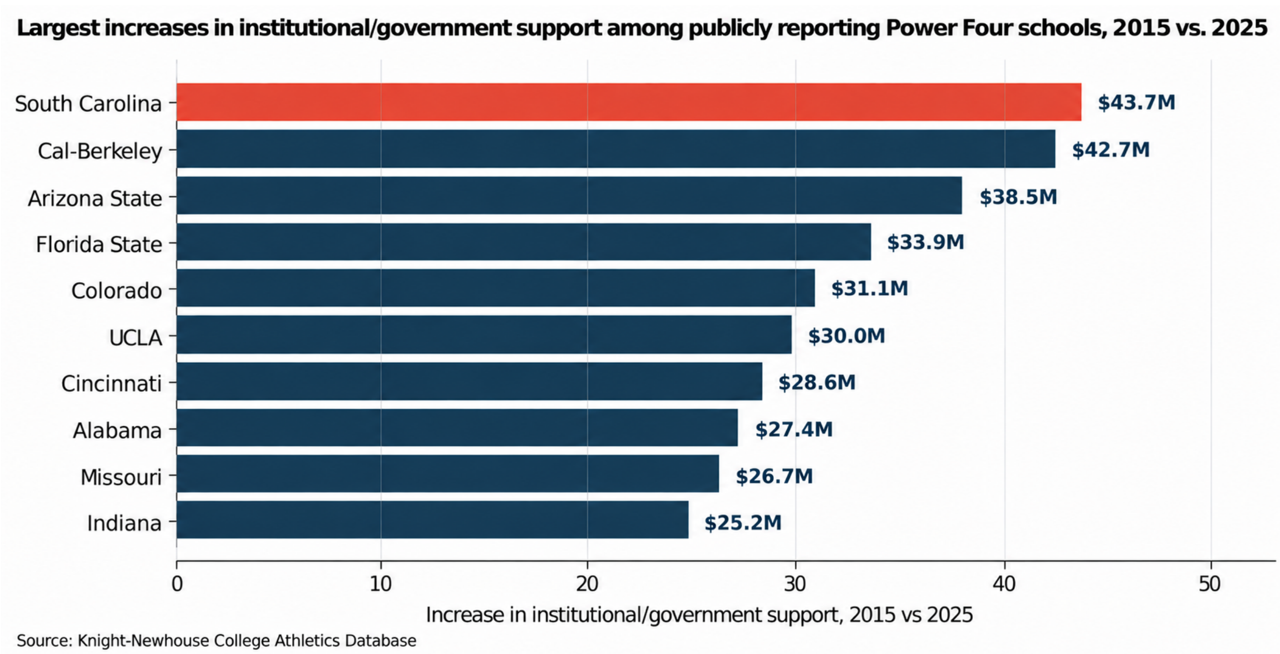
Cal-Berkeley is a cautionary tale for taking on debt to fund stadium repairs. For the project, completed in 2011, Cal borrowed around $445 million – 94% of the costs – to finance the construction.[xiii] The institution's debt-service payments of $18 million will escalate to $37 million in 2039. Anticipated higher ticket sales have not materialized.

The university itself has now taken over part of the burden of the debt payments[xiv]. The payment schedule, incredibly, runs through the year 2112.

TOP UNIVERSITIES ARE REDIRECTING MORE THAN HALF A BILLION FROM GENERAL FUNDS TO ATHLETICS EVERY YEAR

As the gap between what power-conference colleges take in and what they spend has more than quintupled over the past decade, contributions from university funds to athletics have increased by more than a half-billion dollars in the past ten years.

The data below, from the Knight-Newhouse College Athletics Database[xv], shows the striking increase in institutional and government support for athletics at power conference schools that make their financial information publicly available:



COLLEGES ARE RELYING MORE ON ENDOWMENTS

According to a February 2026 report by the National Association of College and University Business Officers, the percentage of annual operating budgets being funded by endowments reached an all-time high of 15.2% in FY 2025, a significant increase from 10.9% in FY23.[xvi] The report notes that a rate in the mid-four-percent range was more common in the 1980s.

University budget officers worry that this trend could put further long-term stress on schools' financial viability.

And, at the worst possible time, university endowments appear to be receiving less money in donations. New gifts for all participants in the report's study declined 9.2%

from FY2024, and those with assets under $50 million saw donations plummet by 26.5%.

Giftees may be redirecting their donations to athletics, as exemplified by a $401 million gift to Michigan State University, nearly all of which is earmarked to support athletics[xvii], a $300 million gift to University of Kansas athletics[xviii], and donations of $100 million to Creighton[xix] and the University of Illinois[xx], respectively.

Non-Athlete Students are Paying More Fees to Support Sports

AT MANY PUBLIC UNIVERSITIES A PORTION OF MANDATORY FEES ARE DIRECTLY SUPPORTING ATHLETICS

Virginia has the highest non-athlete student sports fees. Because that state's institutions are forbidden from subsidizing athletics with general funds, the rising cost of athletic success has been borne on the backs of its students.

James Madison had a $78.6 million athletics budget in 2025 and $58.1 million of it – 74% of the athletics budget – came from mandatory student fees[xxi]. Other Virginia schools also reported substantial student-fee revenue for athletics, including Old Dominion ($33.9M)[xxii], VCU ($28.0M)[xxiii], and George Mason ($26.1M).[xxiv]

School	Mandatory Athletics Support Fee Paid by All Students
James Madison University	$3,011
Old Dominion University	$2,127
Virginia Commonwealth University	$1,359
George Mason University	$742

Source: State Council for Higher Education for Virginia, 2025-26 Tuition and Fees Report[xxv]

Sports fees are driving up the cost of a higher education in Virginia more than any other single factor. According to a recent report on tuition and fees by the State Council of Higher Education for Virginia, total non-tuition fees have risen by 3.9%. Mandatory fees for athletics rose by 6.3%, the sharpest increase of any category tracked by the report[xxvi].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OPINION

Mandatory fees for intercollegiate athletics are the fastest-rising part of cost of attending a state college in Virginia

A new state report shows that overall costs are increasing faster. Mandatory fees for athletics aren't the only reason but every school except one raised athletic fees at a faster rate than they raised tuition. At some schools students now pay more than $3,000 per year in such fees.

Starting in fall 2025, students at the University of Minnesota-Twin Cities began paying a fee to support athletics for the first time[xxvii]. The new $200 fee, approved by the school's Board of Regents that June, is billed as going toward athletic department facilities, but the campus paper noted that it coincided with an athletics department deficit.

State Legislatures Are Using Tax Dollars to Prop Up Athletics

In cases where university athletic departments cannot pay their bills, state legislators have been willing to help out with tax breaks and direct subsidies. Several states have recently provided athletics-related tax benefits, appropriations, earmarks, or access to auxiliary reserves. And while the policy mechanisms and stated purposes differ by state, the root cause is the same.

- In **Connecticut**, state legislators created a tax break for donors to the University of Connecticut athletic department[xxviii]. Eligible taxpayers may claim a credit equal to 50% of qualifying athletics-related payments, capped at $500,000 per taxpayer per year, with the program itself is capped at $5 million annually.
- In March, **Wisconsin** lawmakers approved $14.6 in annual support to the University of Wisconsin-Madison athletic department. UW-Madison athletic director Chris McIntosh put women's and Olympic sports in the crosshairs when speaking to lawmakers. “In the event that this legislation is not passed, we will be forced to reconcile our revenues with our liabilities ... through a series of painful reductions."[xxix]
- Reporting by Keith Sargeant of NJ.com unearthed an unusual earmark in the **New Jersey** state budget passed this June. A $5 million line item billed as "Events Attraction and Marketing," is in fact, according to Sargeant's reporting, intended to build NIL-related payment infrastructure at Rutgers.[xxx]
- In **Arkansas**, NIL earnings by athletes are exempt from state income taxes[xxxi]. Louisiana raised its tax on sports betting from 15.5% to 21.5%, with a portion of the revenue going to the state’s universities for athlete payments[xxxii].
- **Florida’s** Board of Governors, which oversees the state’s universities, approved an emergency rule authorizing public universities to use $22.5 million in funding reserves for other campus programs like bookstores and student housing to pay student-athletes.[xxxiii]

Sports Spending Soars as Research Is Cut

At our nation's top institutions, runaway athletic spending stands in stark contrast to cuts for the academic and research missions that America's competitiveness relies on.

- **UCLA**, which reported more than $30 million in institutional support for athletics in FY2025, has cut student support programs, reduced academic programs, and put a hiring freeze in place.[xxxiv]
- At **Oregon State University**, where athletics got $28.5 million in general fund dollars in 2025, the university has announced the need for a campus-wide 5.2% budget reduction.[xxxv]
- At the **University of Minnesota-Twin Cities**, the new $200 sports-facilities fee came on top of 2025-26 undergraduate tuition increases of $984 for residents and $2,722 for nonresidents, bringing annual tuition to $16,132 and $39,018.[xxxvi]
- In **Connecticut**, where state legislators created a tax break for UConn athletics donors, the state comptroller projected a $109 million General Fund deficit after years of surpluses.[xxxvii]
- At **UW-Madison**, where lawmakers approved $14.6 million in annual athletics-related support, all schools and colleges were required to reduce their budgets 5%, and administrative units by 7%.[xxxviii]
- **Rutgers**, which is getting $5 million from the state for athletics, sent non-reappointment notices to 38 lecturers; the union said they taught about 100 courses, though the university indicated that some might be rehired.[xxxix]

Higher tuition and fees coupled with reduced student services and academic programs is not a path to long-term viability for our nation's best institutions. The budget drain will rapidly turn into a brain drain, threatening America's competitiveness in today's knowledge economy.

Intercollegiate athletics have always been a natural complement to academics and a big driver of applications and enrollment at many Division I schools. But the world of college sports has changed. The NCAA can no longer enforce its rules, and athletics spending is a runaway train.

What Policymakers Are Considering

The proposed Protect College Sports Act offers several potential tools to address these spiraling costs, including:

1

AMENDMENTS TO THE SPORTS BROADCASTING ACT

could bring in an additional $4 to 8 billion in media rights revenue, allowing athletic departments to be self-sustaining again.

2

ESTABLISHMENT OF A COMMISSION

to examine longer-term structural options, including collective bargaining and other reforms.

3

A NARROW ANTITRUST EXEMPTION

that allows the NCAA to enforce basic rules on transfers and guardrails on NIL deals – including a cap on agent fees – to rein in runaway football and basketball roster spending.

DON'T FUMBLE THE OPPORTUNITY FOR IMPROVEMENT

We can support a robust college sports environment while also ensuring that schools continue to foster the growing promise of expanding minds, capabilities, and research that is the backbone of the American economy. We can and we must.

We don't have the ultimate solution – but we must act now to stabilize the situation before more sports programs are cut, more professors are fired, and more tuition increases are enacted. Policymakers and university leaders must act before additional students and athletes lose irreplaceable opportunities.

APPENDIX: INSTITUTIONAL AND GOVERNMENT SUPPORT

School	Current Conference	2015	2025	Increase
South Carolina	SEC	$0	$43,704,106	$43,704,106
Cal-Berkeley	ACC	$0	$42,665,030	$42,665,030
Arizona State	Big 12	$9,421,830	$47,961,924	$38,540,094
Florida State	ACC	$0	$33,874,294	$33,874,294
Colorado	Big 12	$10,669,894	$41,778,735	$31,108,841
UCLA	Big Ten	$60,000	$30,060,000	$30,000,000
Cincinnati	Big 12	$23,182,129	$51,740,793	$28,558,664
Alabama	SEC	$2,616,895	$29,988,389	$27,371,494
Missouri	SEC	$1,515,000	$28,212,444	$26,697,444
Indiana	Big Ten	$2,707,752	$27,946,488	$25,238,736
Arizona	Big 12	$8,965,277	$31,382,738	$22,417,461
Virginia	ACC	$0	$19,881,360	$19,881,360
Clemson	ACC	$4,190,747	$20,180,572	$15,989,825
Houston	Big 12	$18,733,954	$33,036,328	$14,302,374
Texas Tech	Big 12	$1,023,395	$14,792,073	$13,768,678
Central Florida	Big 12	$3,032,455	$13,155,214	$10,122,759
North Carolina State	ACC	$4,852	$9,471,881	$9,467,029
Virginia Tech	ACC	$5,117	$8,434,834	$8,429,717
Illinois	Big Ten	$560,582	$7,992,967	$7,432,385
Georgia Tech	ACC	$2,120,382	$9,551,237	$7,430,855
Tennessee	SEC	$0	$7,137,633	$7,137,633
Michigan State	Big Ten	$702,284	$7,693,718	$6,991,434
Florida	SEC	$1,856,122	$8,760,154	$6,904,032
Washington	Big Ten	$3,895,000	$10,781,975	$6,886,975
Mississippi	SEC	$83,974	$5,734,050	$5,650,076
Auburn	SEC	$0	$5,023,187	$5,023,187
Texas A & M	SEC	$0	$4,995,734	$4,995,734

School	Current Conference	2015	2025	Increase
Minnesota	Big Ten	$6,919,096	$11,657,831	$4,738,735
West Virginia	Big 12	$118,216	$4,200,000	$4,081,784
Maryland	Big Ten	$2,914,403	$6,428,488	$3,514,085
Utah	Big 12	$2,873,927	$6,168,381	$3,294,454
Wisconsin	Big Ten	$7,850,256	$10,421,859	$2,571,603
Iowa	Big Ten	$0	$2,198,923	$2,198,923
Rutgers	Big Ten	$12,939,997	$15,035,273	$2,095,276
Louisville	ACC	$5,138,220	$5,965,092	$826,872
Kansas	Big 12	$1,542,051	$1,892,752	$350,701
Kentucky	SEC	$0	$203,792	$203,792
North Carolina	ACC	$1,739,130	$1,918,664	$179,534
Oregon	Big Ten	$440,000	$589,167	$149,167
Ohio State	Big Ten	$0	$112,280	$112,280
Iowa State	Big 12	$0	$0	$0
Nebraska	Big Ten	$0	$0	$0
Penn State	Big Ten	$0	$0	$0
Purdue	Big Ten	$0	$0	$0
Arkansas	SEC	$0	$0	$0
Georgia	SEC	$0	$0	$0
Louisiana State	SEC	$0	$0	$0
Mississippi State	SEC	$0	$0	$0
Oklahoma	SEC	$0	$0	$0
Texas	SEC	$0	$0	$0
Michigan	Big Ten	$263,345	$240,332	-$23,013
Kansas State	Big 12	$361,985	$0	-$361,985
Oklahoma State	Big 12	$4,619,109	$0	-$4,619,109

[i] https://www.gao.gov/assets/gao-26-108640.pdf

[ii] https://www.gao.gov/assets/gao-26-108640.pdf

[iii] Source: Knight-Newhouse College Athletics Database. SEC data: https://knightnewhousedata.org/reports/22b2b2f5; Big Ten data: https://knightnewhousedata.org/reports/72febd82; Big 12 data: https://knightnewhousedata.org/reports/18332733; ACC data: https://knightnewhousedata.org/reports/4e49f0b4

[iv] https://www.gao.gov/assets/gao-26-108640.pdf

[v] https://www.gao.gov/assets/gao-26-108640.pdf

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