

Colleges ripe for disruption with Alston ruling, shifts in D-II ranks

By Michael Smith January 7, 2019



Merrimack College was one of five recent converts from Division II to Division I competition.

The only constant within college athletics is its volatility and propensity to change. That will be an ongoing theme in the college space in 2019, according to experts who work in the business.

Front and center this year is the Alston v. NCAA antitrust lawsuit. Plaintiffs argue against a cap on what student athletes can earn. Currently, they are limited to whatever income is tied to the scholarship, like cost of attendance, or financial need, such as the Pell Grant. The NCAA is fighting to maintain that model. A judgment is expected, but appeals are expected to carry on for years.

“The potential outcomes of the Alston trial could create disruptive new challenges for Division I leaders,” said John Currie, the former Tennessee and Kansas State athletic director. “National sentiment for ‘pay-for-play’ centers on a handful of legacy institutional brands, marquee coaches, and a relatively small number of the 170,000 Division I student athletes.”

Industry speculation has focused on one group of schools breaking off with a pay-for-play model, while others stick to the old scholarship structure, which will challenge institutional leaders.

“The majority of presidents, chancellors and boards already grapple with the scrutiny of rising costs, salaries and institutional and student-fee subsidies of athletics, pressures that have contributed to recent cuts to sports programs, scholarships and teams,” Currie said. “How institutional leaders respond to Alston could dramatically reshape the ‘big picture’ of college sports as we know it.”

Those who operate on the business side of college sports will continue watching the impact of the merger of Learfield and IMG College, the two mega powers in collegiate marketing and media. The merger was completed just before the end of the year.

“The expected consolidation on the multimedia rights will drive schools to find new nontraditional revenue streams,” said Lawton Logan of The Whitener Co., and a former IMG College executive.

Logan said the licensing business also is ripe for disruption, evidenced by Oregon’s recent deal with Fanatics.

“I see continued disruption to the traditional collegiate licensing business with bright, aggressive execs making big bets in the space,” Logan said.

“Data analytics will play a much more significant role in commercial decision making than in years past.”

The volatility normally associated within the Division I ranks is apparent in Division II as well, said Russell Wright, managing director of the Atlanta firm Collegiate Consulting.

“We’re watching the number of schools at Division II that are exploring options at Division I,” Wright said. “I truly believe that Cal Baptist, Merrimack and North Alabama [that initiated a move to D-I] from this past year are the tip of the iceberg. Our firm is currently conducting four D-II to D-I studies — Augustana just announced their intentions to explore D-I.”

All of the movement is certain to create conference realignment at the FCS and Division I-AAA levels.

“We know firsthand there are four conferences aggressively and actively looking to expand membership, and I believe you will see significant realignment,” he said.

| Moving On Up | | |
|--------------------|----------------------|-----------------------------|
| School | Div. I conf | First year in Div. I |
| California Baptist | WAC | 2018–19 |
| North Alabama | Atlantic Sun | 2018–19 (Big South 2019–20) |
| Merrimack | Northeast Conference | 2019–20 |
| Long Island | Northeast Conference | 2019–20 |
| UC San Diego | Big West Conference | 2020–21 |