

# TRIANGLE BUSINESS JOURNAL

Friday, June 4, 2010

## ACC in store for windfalls from TV, but amount unclear

Triangle Business Journal - by [Chris Baysden](#)

RALEIGH – In the real world, a business that strikes a deal that vastly increases its annual revenue can expect owners and workers to fall all over themselves wanting a share of the windfall.

But college sports is not the real world. Since there are no owners to demand large profits, most athletics departments craft annual budgets with thin margins between revenue and expenses. And the rank and file aren't employees – they're athletes whose "compensation" comes in the form of scholarships and a few perks like team meals.

So where does new money go if an athletics department receives a significant boost in annual revenue? "I think it'll represent significant cash flow," **North Carolina State University** Senior Associate Athletics Director David Horning says of the new revenue, although he adds that NCSU doesn't yet know how much more it will receive.

Horning also is reticent to project for exactly which sports the new money will end up benefiting in future Wolfpack budgets. "I think we're going to look at total program support," Horning says.

Others aren't so coy when it comes to specifics. David Glenn, the editor of the **ACC Sports Journal** and host of a syndicated sports radio show, thinks a lot of the money will go for facilities improvements at ACC schools and to pay higher salaries for coaches – especially assistants.

Both of those line items have been battlegrounds in an "arms race" of sorts over the past few years, with schools willing to spend considerably more money in an effort to generate more wins.

While some of the impending revenue increase will likely help pay for non-revenue sports programs, a great deal is bound to end up in the hands of the football and basketball programs at ACC schools.

"Those sports are making the money, so that's where the money goes back into," says Chad McEvoy, a professor who teaches sport management at **Illinois State University**.

The new revenue will come from two TV deals that have been announced over the past several months and another that should be formalized soon. Here's what's known about those deals so far:

n The NCAA has negotiated a new men's basketball tournament deal with **CBS** and **Turner Sports** that will increase its revenue by about 61 percent, from an average of \$479 million per year in the current contract to \$771 million in the new agreement. The payout will vary by conference depending on teams' recent historical performance. The ACC received \$18 million in revenue from the Big Dance this year, according to Jeff Elliott, the league's associate commissioner for finance and administration.

n The Bowl Championship Series, a coalition of major college football conferences, signed a new contract with **ESPN** that will pay \$125 million a season – up from \$82.5 million in the previous deal with Fox. The ACC received \$17.7 million in BCS money this year, which came from conference champ **Georgia Tech** playing in the Orange Bowl. Conferences can get more money by putting a second team in one of the five BCS games, but the ACC hasn't been good enough to do that yet.

n The ACC is negotiating a new television deal for its football and men's basketball games. Sports Business Journal, a sister publication of **Triangle Business Journal**, has reported that the conference will strike a pact with ABC/ESPN valued at \$155 million a year – more than double the value of the current basketball and football agreements, which are worth about \$75 million annually combined.

Revenue from these deals will flow into the ACC. The conference paid out \$11 million to \$12 million to most of its member schools in the fiscal year ended June 30, 2008, tax documents show.