Stop the Clock: Spending on sports out of control

by The Indianapolis Star

In a week when the nation's unemployment rate jumped to 8.5 percent, the University of Kentucky introduced a highly compensated new hire. Wildcats basketball coach John Calipari will pull down an average of $3.95 million a year for the next eight years.

The university's athletic director, Mitch Barnhart, in introducing the new coach, stressed that Calipari won't be paid from state funds but out of revenue generated by the school's basketball and football teams. But, as at many state universities, public dollars clearly help underwrite UK's costs of operating a big-time college sports operation.

Public subsidies aren't limited to college athletics, of course. New York's two Major League Baseball teams, the Yankees and Mets, opened new stadiums this weekend. The venues cost a combined $2.3 billion, and while the teams picked up most construction costs, the public will contribute, according to some estimates, up to $1.8 billion in tax breaks, infrastructure upgrades and financing.

Indiana residents know well the high costs of supporting major college and professional sports. The state's highest paid employee, for instance, is a basketball coach, Indiana University's Tom Crean, whose base salary stands at $600,000.

Amid an economic crisis and falling government revenues, state and local leaders have spent considerable time and energy in recent weeks trying to resolve a financial mess precipitated by public subsidies of Indianapolis' pro sports teams.

The city's Capital Improvement Board, which maintains Conseco Fieldhouse (home of the Indiana Pacers) and Lucas Oil Stadium (home field for the Indianapolis Colts), is facing a budget deficit of $47 million. The Senate Appropriations Committee last week approved a range of tax increases, as well as tapping the Colts and Pacers for $5 million a piece, to close the budget gap.

Those moves were made necessary in part because the CIB stands to lose about $20 million in operating Lucas Oil Stadium, the new $720 million football stadium paid for largely by the public. The Pacers also are seeking relief from the $15-million-a-year cost of operating the Fieldhouse. s The Star's Editorial Board has argued, both stadiums are important economic generators not just for the city but also for the region and state. Given the investments already made, neither the city nor the state can afford to abruptly back away from their obligations.

Yet, government and academic leaders need to seriously rethink the levels at which the public can afford to

continue underwriting the ever-escalating costs of high-profile sports.

The nation is suffering through a deep recession brought about in part because the housing bubble imploded when home prices and mortgage amounts in many parts of the country soared past reasonable values. Although the ramifications won't be nearly as far-reaching, the same could be building now with major sports franchises. In light of the economic correction under way, can communities really afford stadiums approaching or even exceeding $1 billion in cost? Is a $2,625 ticket for a baseball game (the Yankees' highest-priced seat) a sustainable model? Is a nearly $4-million-a-year college coach a signal of the future or a late shot in a losing game?

Americans have long placed an outsized value on sports, but fiscal reality can be ignored for only so long. It's time to start pulling the costs of sports operations back into line before an overburdened, fed-up public forces painful changes on all the players involved.

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