

USM Traditionally Ignores Financial Signals and Reputational Risks

Somehow USM tends to act counter to sound academic principles and economics. Usmnews.net has chronicled the behaviors of administrators and faculty that have time and again squandered student and taxpayer resources. That waste is among the reasons USM has been unable to climb out of an academic fourth tier status or field anything other than also-ran sports programs when USM has been at it for over 100 years.

Here's another signal USM will surely ignore:

The Chronicle of Higher Education
October 11, 2013 by Nick DeSantis

[Big-Time Sports Pose Increasing Risks for Universities, Moody's Says](#)

Success in big-time college sports can increase universities' visibility and improve their brands, but a heightened focus on athletics also presents increasing financial and reputational risks, Moody's Investors Service [said](#) in a report released on Friday.

The credit-rating agency's report examined the implications of athletics programs at NCAA Division I institutions. It found that athletics budgets have increased rapidly relative to other expenses: On an average basis, the report said, athletics expenses have nearly doubled since 2004, compared with a 58-percent increase in total expenses. The report also said that 90 percent of athletics programs were not self-sustaining and required subsidies, which grew by a median of 25 percent from the 2008 to the 2012 fiscal year.

Moody's also warned that the long-term costs of athletics programs were uncertain, given [growing concerns](#) about head injuries and [unresolved, high-profile litigation](#) that is [challenging the NCAA's system of amateurism](#).

"As college sports become a greater focus of both universities and the national media, strong governance is required to prevent negative financial and reputational impact," the report said. "Establishing proper controls and procedures that reflect institutional integrity while laying the groundwork for the university to produce competitive teams remains a difficult, but crucial, objective of a university's

governing policies.”

The full report is available to Moody’s subscribers [here](#).