

SENATOR SCHMIT: How is the NCAA funded?

SENATOR CHAMBERS: They're funded through the activities of the various sports programs. The lion's share comes from the basketball tournaments, the final four, and they start out with 64 and a huge amount of their money comes from those tournaments. Then bowl games, like some of them give a certain amount to the NCAA and there are other activities but their money comes from the sporting activities that these young men and women participate in. That's where the lion's share of their money comes from.

SPEAKER BARRETT: Thank you. Senator Schmit.

SENATOR SCHMIT: So if the penalty then is assessed against the NCAA and the funding for NCAA comes from the sporting activities of the various universities, then, in effect, is the NCAA...are they, Senator Chambers, allowed to assess the various programs for a proportionate share of the support they need?

SENATOR CHAMBERS: No, see, Senator Schmit, the NCAA has a pool of money that it's built up as all organizations do that take in more money than they spend. So how they...

SENATOR SCHMIT: Where does that come from?

SENATOR CHAMBERS: From these sporting activities that I'm mentioning.

SENATOR SCHMIT: Okay.

SENATOR CHAMBERS: And the money is invested. It's put in the bank. It draws interest. What some of the high-paid officials of the NCAA did a few years ago was to take from this money no-interest loans for themselves. The director took one of, I think, \$500,000, then they put some of this money in a special fund that would allow NCAA officials and employees to get loans at the low market interest rates. So, already, this money that I'm talking about is being handled by those bureaucrats in a way that's not fair. But this bill would not result in any imposition of additional financial burdens on any of the schools. That's done by their rules, and to change that, they would have to have a convention of all the schools and get the schools to vote to do that.