

Memorandum

To: Mark Emmert, President, National Collegiate Athletic Association

NCAA Division I Board of Directors

From: William E. Kirwan and R. Gerald Turner, Co-Chairmen,
Knight Commission on Intercollegiate Athletics

Subject: Recommendations on NCAA governance and related Division I issues

Date: August 6, 2013

The Knight Commission on Intercollegiate Athletics met on June 19, 2013 to complete its 18-month study of the Division I structure and governance issues. The Commission believes its timely conclusions and resulting recommendations can be useful to the NCAA member deliberations on these topics now under way. The Commission's vital interest in assessing the governance of college sports is linked to its first report in 1991 calling for greater presidential leadership at all levels of college sports governance. That and subsequent reports, including these recommendations, are intended to ensure that the mission and values of higher education are reflected in our sports programs.

The following information summarizes key aspects of the Commission's review, including conclusions of its independent study, actionable recommendations, and areas that merit further examination.

About the Commission's review of NCAA governance and related Division I issues

The Commission officially launched its governance review in 2012 following a decision reached at its October 24, 2011 meeting that such an examination was needed despite recent progress toward achieving important academic reforms. The Commission believed then—as it does now—that significant issues continue to challenge the operation and integrity of Division I intercollegiate athletics. Many of these issues are outside of the NCAA's control and/or beyond the scope of the NCAA's reform agenda launched in late 2011. The objective of the Commission's review was to assess whether different approaches in the Division I model and governance might improve accountability and better serve both institutions and college athletes. The fragmented oversight for the highest level of college football, and for the billions of dollars in revenue it produces, was a key element in this examination.

The review focused on in-depth interviews with nearly 50 higher education and college sports leaders. The interviews were conducted in spring 2013 by Art & Science Group, the education research firm that conducted the Commission's 2009 survey of presidents at Football Bowl Subdivision (FBS) institutions. Several current and past members of the NCAA Executive Committee and Division I Board of Directors participated in this new study. The findings from this research were considered along with relevant aspects of the Commission's prior work,

including its [2009 presidential survey](#), extensive [athletics and academic spending data](#), [the 2010 Restoring the Balance report](#), and results from [independent research projects](#) on intercollegiate athletics funded by and presented to the Commission in 2012.

Additionally, the Commission received counsel at closed sessions in 2012 and 2013 from leaders including conference commissioners, athletics directors and other executives with relevant legal, financial and policy expertise.

Study conclusions and recommendations

The Commission's study revealed broad agreement that college sports provide tremendous benefits to our universities and to college athletes. However, nearly all respondents expressed serious concern that the quest for revenue in Division I is undermining academic and institutional ideals. The escalating expenses in college football were specifically cited as causing extreme financial stress on programs that do not generate enough external revenue to cover expenses, resulting in funds being transferred from other sports and from the academic enterprise.

The overarching conclusion of the Commission is that changes are needed to restore integrity to an aspect of university life that is treasured by the American public. Much more can and must be done to reform the governance of college athletics and its financial model to strengthen its core educational and developmental goals.

The Commission's study considered the possibilities of new entities separate from the NCAA to govern and manage college football or athletics programs with similar financial resources. This notion received little to no support from the study respondents. The Commission believes the current NCAA framework remains the appropriate structure in which to operate college sports and shape the necessary changes. However, the Commission recommends consideration of the following ideas to address identified weaknesses in the current NCAA governance and operational framework. Each of the ideas received substantial support among the study respondents.

1. Alter the composition of the NCAA Executive Committee and Division I Board of Directors to include independent directors, and broaden the input received by the Board to include experts and practitioners in either advisory or membership roles.

The Commission continues to strongly support the principle introduced in its 1991 [Keeping Faith with the Student-Athlete](#) report that the ultimate authority for intercollegiate athletics must be with university presidents. If sports programs are to remain part of the collegiate experience, presidents have the responsibility for ensuring that they reflect university values. That said, presidents should not be expected to micromanage college sports nor be experts in every aspect of its operation.

The Commission's independent study revealed a strong consensus by presidents and non-presidents alike that presidential control of NCAA governance is a positive development that has led to a greater emphasis on the academic success of college athletes. At the same time, most respondents thought the Division I board should be opened up to include practitioners' voices in the governance process.

The study also revealed a general loss of confidence in the NCAA governance process—a loss of confidence that the Commission believes is shared by the public. College sports have a unique place in our society. Indeed, many college sports championships, rivalries and teams are iconic in American culture. Public cynicism about the integrity of college sports threatens the value citizens place on higher education as a whole.

The 1997 NCAA governance restructuring mixed two objectives: presidential control and a representative form of governance with voting control given to the major football conferences. The Commission supported this restructuring to provide a more federated approach that institutionalized the level of presidential control promoted by the Commission. More than a decade later, however, there is broad discussion of weaknesses in this structure that can be addressed.

An internal report produced for the Commission in 1995 to contribute to the restructuring deliberations at that time highlighted a challenge that is even more pressing today: “the inherent tensions associated with managing such a large organization are further heightened by the increasing prominence of business and financial interests in NCAA matters.” Indeed, one of the weaknesses of this current structure is that board members are expected to represent their conferences’ competitive and financial interests first instead of what may be best for college sports as a whole.

To address this limitation while maintaining the current structure’s positive aspects, the Commission recommends that presidential control of the NCAA Executive Committee and Division I Board of Directors must continue through presidential majorities of its members, but that the composition of each group be broadened to include independent directors. The number of independent directors on each board should be of a sufficient number to have an impact. These individuals could be private citizens who may be former college athletes, professionals with relevant expertise or experienced public leaders.

As a complementary way to address the need for greater expertise in board deliberations, the Commission recommends that college sports practitioners (e.g., commissioners, athletics directors, faculty) be directly involved with the board in either advisory or membership roles.

Finally, the independent study revealed significant concerns that the current governance process does not effectively engage the entire Division I membership, contributing both to a lack of confidence and to a narrowness of perspectives. The Commission did not reach a consensus on a particular way to create a more inclusive process but believes it is important to address this issue.

2. A portion of the FBS College Football Playoff revenues should reimburse the NCAA for services that enable college football to operate as a collegiate sport, and the funds should be used to directly support athletes’ educational experiences.

The Commission’s study examined the fragmented operation of FBS football in that its postseason structure and revenues are managed outside of the NCAA, while the NCAA is responsible for all of the operational support for FBS college football, such as player eligibility, rules compliance and enforcement, management of playing rules, legal services, and research related to player safety and health.

The 1997 NCAA restructuring predates the creation of the Bowl Championship Series (BCS) outside the NCAA structure, a change that made the governance of college football even more complicated. The future power and revenue-generating capacity of the BCS and its evolution to a college football playoff were not considered in the restructured system.

The Knight Commission study considered whether the NCAA or a new entity for college football only should manage all aspects of the sport instead of the current fragmented approach. There was little support for either change among study respondents.

The Commission concluded that the most practical first step toward addressing this complex relationship is to formally recognize the current financial support the NCAA structure provides to support FBS football. The NCAA national office should determine administrative and operational services used to support FBS football and the new College Football Playoff should reimburse the NCAA for these expenses. Since the reimbursed amount represents funds the NCAA membership would have otherwise received, a redistribution system should make certain that the amount is used to directly support athletes' educational experiences instead of allowing the funds to be absorbed through additional national office operations.

3. Revise revenue distribution to ensure that academic incentives are appropriately embedded in the system.

A major principle in the Commission's [2010 Restoring the Balance report](#) is to reward practices that prioritize academic values in our athletics programs. Promising steps that comport with that principle and that respond to Knight Commission recommendations were taken over the past two years: the NCAA action to adopt an academic threshold for postseason eligibility and a commitment by leaders managing the College Football Playoff to consider academic performance in its revenue distribution criteria. However, more can be done to appropriately embed academic incentives into the system of an enterprise that considers education as its core mission. A failure to address the distorted incentives that still exist in the system will only fuel the rising cynicism about the priority given to the educational mission.

Ideas that merit further study

The Commission believes there is considerable merit for additional study of the following ideas that received interest in the research and in the Commission's deliberations.

1. A new NCAA subdivision for football only for institutions in the five major conferences ("Big 5") and other institutions that meet specific revenue-generating criteria

The independent study explored the question of whether members of the "Big Five" conferences and other institutions that meet financial criteria should be moved to a separate subdivision or division within the NCAA for football or all sports, a major topic recently in the media. Many study respondents clearly believed that, given the complexity of issues involved in such governance changes, this alternative and the other options posed would require careful thought and discussion. However, on balance, this idea gained the most traction among all of the alternative models outlined.

While the Commission did not reach a consensus on this idea, it agreed further study should be considered for a new NCAA subdivision **for football only** to better understand the implications of such a change.

2. A new financial framework with principles akin to those previously advanced by the Commission, such as spending limits on various sport programs, incentives for maintaining spending limits or disincentives for exceeding spending limits

The [financial trends](#) tracked by the Commission coupled with the serious concern expressed by many study respondents that the quest for revenue in Division I is undermining academic and institutional ideals signal the need for continued study of a new financial approach in college sports. The Commission's [2010 Restoring the Balance report](#) called for requiring greater financial transparency and developing incentives for demonstrating an appropriate financial balance between institutional investments in athletics and education. The Commission believes that these concepts and similar ideas to strengthen accountability should have the highest priority in the work of any new Division I governance system.

3. Greater differentiation of structures among sports

This approach would recognize organizational, competitive, and market differences among sports as well as minimize time and travel burdens on athletes, thereby promoting their educational experiences and well-being. For example, colleges might choose different conference memberships and championship formats for their football and field hockey teams. Such a move also could reduce travel expenses.

Enclosed is a list of the Knight Commission members as well as the outside experts who evaluated the independent study and advised the Commission. If you have any questions or wish to discuss the Commission's recommendations in more detail, the Commission's executive director, Amy Perko can coordinate additional communications with us. She can be reached at 910.864.5782 or at perko@knightfoundation.org.

Thank you for your consideration.

cc: Division I Conference Commissioners
Jean Frankel, governance consultant to the NCAA Board of Directors
Knight Commission Expert Advisory Group members
Knight Commission members
NCAA Executive Committee

Attachment: Knight Commission June 18-19 meeting roster



A project of the John S. and James L. Knight Foundation
www.knightcommission.org

June 18-19, 2013 Knight Commission Meeting Roster

KNIGHT COMMISSION ON INTERCOLLEGIATE ATHLETICS MEMBERS

Dr. William E. "Brit" Kirwan, chancellor, University of Maryland System (Co-Chairman)

Dr. R. Gerald Turner, president, Southern Methodist University (Co-Chairman)

Dr. Michael F. Adams, president emeritus, University of Georgia

William Asbury, vice president emeritus, Pennsylvania State University

Dr. Henry Bienen, president emeritus, Northwestern University

Dr. Carol A. Cartwright, president emeritus, Kent State University

Anita DeFrantz, president, LA84 Foundation

Dr. John DeGioia, president, Georgetown University

Paula Ellis, former vice president, Knight Foundation

Leonard J. Elmore, board of directors, USA Basketball; analyst, ESPN; attorney

Janet Hill, principal, Hill Family Advisors and trustee, Duke University

Sarah Lowe, former women's basketball student-athlete, University of Florida

Andrea Fischer Newman, chairwoman, University of Michigan Board of Regents; senior vice president for government affairs, Delta Airlines

Dr. Jerry I. Porras, professor emeritus, Stanford University

Sonja Steptoe, former journalist, *Time*, *Sports Illustrated* and *The Wall Street Journal*

Dr. Charles E. Young, president emeritus, University of Florida and chancellor emeritus, University of California, Los Angeles

Members unable to attend June 19 meeting but aware of decisions and correspondence

Val Ackerman, commissioner, Big East Conference; past president, USA Basketball and founding commissioner, WNBA

Dr. Elson S. Floyd, president, Washington State University

Judy Woodruff, senior correspondent, *PBS NewsHour*

Alberto Ibargüen, president and chief executive officer, Knight Foundation (ex officio)

Independent Participants at June 19, 2013 meeting

Sally Mason, president, University of Iowa

G. P. “Bud” Peterson, president, Georgia Institute of Technology (Georgia Tech)

Expert Advisory Group to the Knight Commission for its Division I Model and Governance Project who attended June 18-19 meeting

Jack DeGioia, president, Georgetown University (co-chair and Knight Commission liaison to group)

Carol Cartwright, president emeritus, Kent State University (co-chair and Knight Commission liaison to group)

Peg Bradley-Doppes, vice-chancellor for athletics and recreation, University of Denver

Kathy DeBoer, executive director, American Volleyball Coaches Association

Jon LeCrone, commissioner, Horizon League

Jeffrey Mishkin, attorney, Skadden Arps

Neal Pilson, president, Pilson Communications; former president, CBS Sports

Peter Roby, athletic director, Northeastern University

Todd Turner, former director of athletics, Vanderbilt University and University of Washington; president, Collegiate Sports Associates

Kevin Weiberg, deputy commissioner and COO, Pac-12 Conference

Expert Advisory Group members unable to attend June 18-19 meeting but involved in conference calls about the study

Bob Bowlsby, commissioner, Big 12 Conference

Gene Smith, associate vice president and athletics director, Ohio State University

Kevin White, vice president and director of athletics, Duke University (*participated in June 18 discussion by conference call*)

Knight Commission staff and consultants

Amy Perko, executive director

Scott Hirko, associate for research and communications

Jeff Orleans, consultant

Welch Suggs, consultant

Karen Weaver, consultant

Art & Science Group: Eric Collum, Rick Hesel, Shanaysha Sauls

Katie Reardon Lawson, Widmeyer Communications