

April 27, 2020

Dr. Mark Emmert
President, NCAA
700 W. Washington St.
Indianapolis, IN 46204

Dear Mark:

We are writing on behalf of the Knight Commission on Intercollegiate Athletics to offer both our support, and some specific recommendations, as you and the Division I governance groups work to adapt NCAA policies to the financial crisis spawned by the COVID-19 pandemic. We appreciate the gravity, urgency, and uncertainty of identifying and promptly implementing substantial cost-saving measures and hope that our thoughts can contribute to protecting intercollegiate athletics, even in the midst of a broader national crisis in higher education.

Our letter reflects the Commission's longstanding principles, and is informed by what we've learned more recently from campus and conference leaders as part of our initiative, [announced in December 2019](#), to study how the structure of Division I sports can better serve college athletes, their institutions, and the mission of intercollegiate athletics. We write today to respond in a timely manner to the set of waiver requests submitted by 27 Division I conferences and hope that some of our recommendations may also prove useful in coming months, during what is certain to be a prolonged financial state of emergency in college sports.

A. Principles

The financial threats that the NCAA governance groups, conferences, and institutions are facing present both a unique opportunity and unique challenge. The decisions made today by the NCAA and college leaders are not only critical to helping athletics programs survive the COVID-19 crisis, but also will shape the structure of college athletics long after the pandemic has ended. We believe that makes it all the more essential that waivers and other reforms reflect and reinforce the core values of higher education generally, and of college athletics specifically. Emergency, temporary actions should establish the right framework for permanent, necessary change.

To protect and uphold those enduring values, the Commission recommends that decisions by the NCAA and its membership be guided by three straightforward principles:

1. Preserve educational opportunities that college athletics foster and prioritize the college athlete's health, safety, and success.
2. Protect gender equity in rules, policies, and practices at all levels.
3. Restructure the organization of sports competition and related operations to reduce inefficiencies and unnecessary spending, and to improve the quality of the student-athlete experience.

We hope that the NCAA can help oversee a coordinated response to the COVID-19 pandemic, using multiple cost-saving actions, to advance these guiding principles and core values. We are encouraged that many institutions and conferences already have announced cost-cutting measures independently of NCAA rule changes, such as limiting non-conference competition travel, temporarily reducing salaries of highly-compensated personnel, eliminating performance bonuses, curtailing in-person conference meetings, and suspending capital projects.

While major cost reductions may be unavoidable, the Commission hopes that the NCAA, conferences, and institutions will first pursue short-term and long-term spending cuts that prioritize athletic and educational opportunities for students. There is not yet a clear regulatory approach or legislative path for national or conference actions that would contain two big cost drivers—excessive levels of coaching compensation and severance buy-outs in some sports and the proliferation of sport-specific non-coaching staff. But in keeping with our guiding principles, we encourage the NCAA, conferences and institutions to explore feasible, near-term and long-term options for spending reductions in these areas, instead of cutting student opportunities.

B. Specific Waiver Issues

When reviewing the conference waiver requests, we would encourage the NCAA to effectively consider the waivers in three categories: 1) Immediate changes that do not reduce student opportunities and instead provide a more cost-efficient way for institutions to provide those opportunities; 2) Temporary changes that curtail student opportunities but may be necessary on a limited, temporary basis; and 3) Changes that will have major long-term structural implications and may need more measured consideration.

Based on those guidelines, the Commission recommends the following on waiver requests of NCAA Division I and Football Bowl Subdivision (FBS) requirements:

1. *Approval of emergency provisions so that conferences and institutions can begin the necessary planning.*

- a. The **Division I-FBS membership requirement related to spectator attendance** is not appropriate at this time and should be waived on an emergency basis.

In addition, we are deeply concerned with any continuation of the traditional “spectator or ticket purchase” guarantees required by the majority of the FBS postseason bowl games, which we believe has a significant cost implication. We urge the NCAA and its member FBS conferences to immediately address this issue with the 44 bowls slated for 2020, and in the future administration of the NCAA postseason football bowl certification process (see the Addendum for discussion of this issue).

- b. The provisions of Bylaw 31.3.4.1 and Bylaw 20.02.5.3, which require **specific conference competition structures for a certain number of sports** should be waived in all sports except men’s and women’s basketball. Waivers of these

provisions would provide significant flexibility for conducting regular-season competition, which should result in substantial cost savings. The flexibility also may be necessitated by subsequent governmental travel restrictions related to COVID-19 (discussed in the Addendum).

2. *Support conditional, limited consideration of temporary waivers (of not more than two years duration) to the **Division I scholarship minimums** on an individual institutional basis alone, subject to clear and consistent criteria and NCAA evaluations of the waiver application and the waiver's impact after it ends. Oppose conference-wide waivers for reducing scholarship minimums.*

Reducing scholarship support below the current NCAA Division I minimum requirements, even during the pandemic, should be a last resort for conferences and institutions, undertaken only after other prudent cost-saving measures have been demonstrably exhausted. However, it is understandable that in this crisis, scholarship opportunities for all students may be more limited. The Knight Commission opposes granting conference-wide blanket waivers for reducing scholarship minimums. Any consideration of specific requests by individual Division I institutions for relief should limit waivers to two years or less and should require institutions to fully restoring scholarship opportunities when the waiver ends.

We recommend that a review of institutional financial priorities should be part of the waiver criteria. As illustrated in the attached bar chart depicting institutional-reported data from Division I public institutions on annual NCAA financial reports, there is a wide variance in the percentage of institutional allocations to student athletic aid. At minimum, waiver reviews of institutional applications should assess the proposed percentage of an institution's budget dedicated to providing scholarships as a result of any proposed cuts, compared to the impact of cuts in other major areas of operations. Any waivers granted to reduce scholarship minimums should be evaluated at the conclusion of the waiver and audited to make sure institutions have restored scholarship opportunities that were suspended under the waiver.

3. *Support measured consideration of conditional and temporary waivers—limited again only to individual institutions and to a two-year period or less—to **reduce the number of sports below the NCAA minimum.***

We were encouraged by the Division I Council's announcement that it would not consider any blanket waivers of the FBS sport-sponsorship requirement. Reducing the minimum sport-sponsorship requirements is a much more drastic and troubling measure than reducing the scholarship opportunities for athletes in those sports. Again, in the limited cases that such consideration might be necessary for either cost-savings or as a result of the current medical crisis, which could put certain sports at risk if COVID-19 flares up in specific regions, we would urge a similar review and post-waiver evaluation process to (2) above.

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Finally, the Commission believes there are additional opportunities to rethink the Division I structure and rules in ways that will not drastically impact opportunities for college athletes and includes several such suggestions in the addendum.

We want to again recognize the necessity and the difficulty of the efforts now underway, throughout the NCAA structure and among all conferences and institutions, to make painful financial decisions that minimize any losses of student-athlete opportunities.

We hope these thoughts are helpful, and we wish the NCAA success as it faces the unprecedented challenges of the COVID-19 pandemic. We stand ready to assist in any way that we can.

Sincerely,



Carol Cartwright
Co-Chair



Arne Duncan
Co-Chair

Addendum; Attachment

Cc: Grace Calhoun, chair, NCAA Division I Council
Eli Capilouto, chair, NCAA Division I Board of Directors
Michael Drake, chair, NCAA Board of Governors
Kevin Lennon, vice president of Division I, NCAA
Donald Remy, chief operating officer, NCAA
Division I Conference Commissioners
Members of the NCAA Division I Board of Directors
Members of the Knight Commission on Intercollegiate Athletics

Addendum

1. **Expand consideration of the waiver request for the provisions of Bylaw 31.3.4.1 to also provide an emergency, temporary waiver to the provisions of Bylaw 20.02.5.3 in all sports except men's and women's basketball.**

This waiver would permit all conferences to maintain automatic qualification (AQs) to championships in all sports without requiring multi-sport conferences to conduct specified regular-season conference competition, except in men's and women's basketball, helping to offset the geographically expansive conference footprints developed over the last decade. Perhaps more importantly, given possible regional variations in re-opening activities due to COVID-19, different regional alliances may be both practically necessary and help in reducing health risks.

This recommendation is supported by qualitative research conducted in the last month as well as [quantitative research we conducted in 2015](#). In recent focus group sessions across all Division I subdivisions, there was strong agreement that regional scheduling alternatives should be pursued immediately. The Knight Commission is prepared to assist the NCAA and each sport re-imagine how competition and opportunities can be conducted in more cost-efficient ways that could also reduce missed class time and support regional rivalries.

2. **Address the traditional "spectator or ticket purchase" guarantees required by the majority of the FBS postseason bowl games.**

The NCAA and the FBS conferences should immediately address this issue for the 44 bowls slated for 2020, and in the future administration of the NCAA football bowl certification process.

Unlike nearly every other sport, the current slate of approved FBS bowls provide **two-thirds** of the 130 FBS football teams with access to postseason play. Unfortunately, mid-to-lower tier bowls are highly subsidized by the institutions, or their conferences, through required ticket purchases, rather than the institution's participation being subsidized by the bowls, as is true for NCAA championship participation. Reports filed with the NCAA for the 2017-18 bowl season show total expenses by all institutions for the 40 bowl games played that season in excess of \$112 million, of which the "financial guarantees or ticket purchases" paid by institutions and conferences is estimated to be a significant portion.

More financially responsible bowl-game certification criteria might start with the following:

- a. Eliminate any financial guarantees and ticket purchases required of institutions.
- b. The bowl organization must cover all institutional costs for travel, food, lodging, entertainment, and awards.
- c. Net revenues would be divided, with 50% going to the host organization and 25% to each institution.

3. Areas in which other NCAA rules changes might be considered for cost savings include:

- a. Recruiting regulations could further limit off-campus recruiting, as coaches increasingly use advances in technology to remotely evaluate potential student-athletes in all sports and to communicate with them and with their coaches, families, and advisors.
- b. Revisit the number of allowable contests in every sport, as well as the scope of non-championship seasons, which would produce a tangible cost savings and provide student-athletes with additional time for academic responsibilities. College presidents have previously [expressed support for such changes](#).



Where the Money Goes...

Sources of Athletic Budget Expenses for NCAA Division I Public Institutions, 2018



Data Source: 2017-18 NCAA Financial Reports