



Knight Commission On Intercollegiate Athletics

CONNECTING ATHLETICS REVENUES WITH THE EDUCATIONAL MODEL OF COLLEGE SPORTS (C.A.R.E. Model)

Knight Commission issues a new proposal to alter the distribution and spending of NCAA Division I revenues

September 15, 2021—The Knight Commission on Intercollegiate Athletics today released a major proposal to require the NCAA, the College Football Playoff (CFP), and Division I conferences to more closely connect the distribution and spending of billions in shared athletics revenue distributions with the broad educational mission of NCAA Division I college athletics programs.

The Commission’s new report — [“Connecting Athletics Revenues with the Educational Model of College Sports” \(C.A.R.E. Model\)](#) recommends altering both the distribution criteria and uses of funds for more than \$3 billion distributed annually by the NCAA, CFP, and Division I conferences. This C.A.R.E. Model is the newest set of recommendations in the Knight Commission’s [“Transforming the D-I Model” series.](#)

The Commission’s proposed requirements could be imposed either by Congress or the respective college sports governing bodies. The C.A.R.E. Model would require that five core principles guide both the distribution criteria and accountability for how shared athletics revenues are spent. Those core principles are:

1. Transparency;
2. Independent oversight;
3. Gender equity;
4. Broad-based sports opportunities; and
5. Financial responsibility.

Each of the principles above is absent, in whole or in part, from the current system. A description of the principles is provided in the report.

Knight Commission Co-Chair Nancy Zimpher said, “Concrete and meaningful revenue distribution and spending requirements are necessary today because the financial structure and the incentives in Division I college sports are broken. The painful truth is that the existing governance at the NCAA, conference, and campus levels has failed to maintain an education-centric financial system.”

Principles that Impact Distribution Criteria

Examples of two principles that would change the current revenue distribution criteria for the governing entities, impacting hundreds of millions in annual revenue distributions, include:

- **Gender Equity:** Requiring athletics revenue distribution policies to be equitable with regard to gender would end the NCAA’s current practice of rewarding success (winning tournament games) **only** for men’s basketball teams in its “Basketball Performance Fund.” This Fund [currently awards more than \\$160 million annually](#). In light of the recent [Kaplan Heckler report](#), which urged the NCAA to address gender inequities in its revenue distribution criteria, the Knight Commission’s proposed requirements reinforce the need for the NCAA to act swiftly to address its discriminatory gender-based awards.
- **Broad-Based Sports Opportunities:** This principle would require the NCAA, CFP, or conferences to establish financial incentives to reward schools for sponsoring more teams than the Division I membership minimums and require that the incentive pool is as large as the financial incentives provided for athletics performance (i.e., winning games). For example, the hundreds of millions of dollars that are currently distributed by the NCAA for men’s basketball tournament wins and by the CFP for football teams’ selection for the playoff must be matched by incentives for providing broad-based sports opportunities—which is far from the case at present.

Principle of Financial Responsibility

The financial responsibility principle addresses accountability for how the billions in shared athletics revenue distributions are spent.

Specifically, each Division I conference would be required to implement both distribution and spending policies to ensure shared conference revenues are used primarily to support college athlete education, health, safety, and well-being, and athletics programs that provide broad-based opportunities and that achieve gender and racial equity.

Meaningful and mandatory incentives and penalties would encourage spending consistent with the educational mission of college sports. Congress or the conference governing bodies should adopt caps or minimum financial thresholds to limit sport-specific spending—especially spending related to athletics coaching and staff compensation, severance pay, and athletics facilities. The Commission recommends that these Division I conference policies be publicly released and approved by a new independent oversight entity.

While the Commission has not prescribed a specific set of requirements to satisfy the financial responsibility principle, it has offered a number of examples (see [page 6 of report](#)), several of which outline how Division I conferences could implement new policies to connect spending with the educational model of college sports.

To illustrate one example, the Commission [preliminarily modeled how the 229 Division I public institutions](#) would perform if conferences required that institutions had to devote at least 50 percent of shared athletics revenues to directly support the education, health, safety, and well-being of college athletes and/or university academics.

Relevance to current NCAA Constitutional Review

The Knight Commission presented its new C.A.R.E. Model yesterday to the NCAA's recently-appointed [Constitution Committee](#), which is examining constitutional modifications for the college sports association, including those related to revenue distribution. The Commission also requested that the [LEAD1 Association](#), which represents FBS Athletics Directors, endorse the Commission's new proposal. The C.A.R.E. Model is responsive to a central finding in [LEAD1's March 2021 survey](#) – namely, that virtually all FBS athletics directors (96 percent) favor a future college sports model that allows for better spending management and encourages investments in college athlete education, health, and safety, and broad-based sports opportunities. The Commission also informed the [NCAA](#) and [CFP](#) governing boards of its report.

About the Knight Commission on Intercollegiate Athletics

The Knight Commission, founded by the John S. and James L. Knight Foundation in 1989, is an independent group that leads transformational change to prioritize college athletes' education, health, safety and success. Over the years, the NCAA has adopted a number of the Commission's recommendations, including the rule that requires teams to be on track to graduate at least 50 percent of their players to be eligible for postseason competition. In 2019, the Commission launched a far-reaching examination of the D-I model leading to major recommendations in its [Transforming the NCAA D-I Model](#) series, which includes [principles](#) to guide new NIL rules, proposals to restructure D-I, and recommendations in its ["Achieving Racial Equity in College Sports"](#) report. The Commission also [provides financial data about Division I college sports](#) to enhance financial transparency and accountability. For more, visit [knightcommission.org](#).

About the John S. and James L. Knight Foundation

Knight Foundation is a national foundation with strong local roots. We invest in journalism, in the arts and in the success of cities where brothers John S. and James L. Knight once published newspapers. Our goal is to foster informed and engaged communities, which we believe are essential for a healthy democracy. For more, visit [kf.org](#).

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