

**Knight Commission on Intercollegiate Athletics
An Assessment of Football Bowl Subdivision Football Factors
On National Collegiate Athletic Association
Division I 2018 Revenue Distribution**

CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING



September 30, 2020

Jonathan Mariner, Chair of the College Sports Finances Committee
Knight Commission on Intercollegiate Athletics
200 South Biscayne Blvd, Suite 3300
Miami, FL 33131

Re: Knight Commission Assessment of FBS Football Factors

Dear Mr. Mariner:

CliftonLarsonAllen LLP was retained by Knight Commission on Intercollegiate Athletics (“KCIA”, “you,” “your,” or “the organization”), a program of the Knight Foundation, to provide assistance with an Assessment of Football Bowl Subdivision (FBS) Football Factors on National Collegiate Athletic Association (“NCAA”), Division I 2018 Revenue Distribution. You identified the following objectives for this engagement:

1. Recalculate the 2018 NCAA revenue distribution to estimate the pro forma impact of the FBS football factors on the NCAA revenue distribution amounts. The results will show an amount attributable to FBS football factors in total as well as how distributions received by each FBS conference distribution could be impacted if FBS football factors were not considered in the calculation.
2. The result of our analysis will clearly answer KCIA’s question as posed in the Request for Proposal, “What is the impact of FBS football factors on a revenue distribution formula that is largely primarily available as a result of revenues from the Division I men’s basketball tournament?”

The purpose of this report is to summarize our work and findings.

We have performed our engagement in accordance with *Statement on Standards for Consulting Services, Consulting Services: Definitions and Standards* (codified as CS Section 100 in *AICPA Professional Standards*) of the American Institute of Certified Public Accountants (“AICPA”).

1. Executive Summary

CLA recalculated the 2018 NCAA revenue distribution formula to estimate the pro forma impact of the FBS¹ football factors on the NCAA revenue distribution amounts. We estimated the amount attributable to FBS football factors in total as well as how distributions received by each FBS

¹ See appendix A for a list of the teams considered to be in FBS for the purposes of this report. Based on guidance from KCIA, CLA defined FBS as any school that was considered active in FBS by the NCAA and had a football team during the 2016-17 academic year. These criteria exclude schools that were going through the transition process from FCS to FBS.

conference distribution could be impacted if FBS football factors were not considered in the calculations.

In 2018, the NCAA distributed \$576 million to NCAA Division I institutions through its 2018 Division I Revenue Distribution Plan (“2018 Revenue Distribution Plan”). The data used to inform the determination of a school’s distribution is based on the 2016-17 academic year, in accordance with NCAA guidelines. This plan includes four funds that could be impacted by FBS football factors. The key components of the revenue distribution formulas for each fund are as follows:

Grants-In-Aid (GIA) Fund	Sports Sponsorship Fund	Special Assistance Fund	Student-Athlete Opportunity Fund
<ul style="list-style-type: none">• Number of athletic grants awarded in prior academic year by each institution.• Escalating multiplier for schools that provide more athletic grants• Unit value = \$299.58	<ul style="list-style-type: none">• Unit for each qualified sport sponsored beginning with 14th Sport (Division I Membership requirement)• \$36,569.92 per sport	<ul style="list-style-type: none">• 3 components<ul style="list-style-type: none">• Pell (70%)• Grants-In-Aid equivalencies (15%)• Number of sports (15%)	<ul style="list-style-type: none">• 2/3 = Grants-In-Aid• 1/3 = Sports sponsorship

In 2016-17, there were 351 Division I institutions, and 127 of these institutions were classified as active FBS participants with a football team in the NCAA Division I-FBS. Among these institutions, 108 were public and 19 were private, including the U.S. Naval Academy, which operates its athletics program as a private non-profit organization and is considered “private” for the purposes of this report.

KCIA provided data obtained through self-reported NCAA Financial Report Forms from 107 of the 108 public FBS schools for the 2016-17 academic year.² Appendix A identifies the FBS schools whose data were used in the assessment and identifies the missing schools. A request to the NCAA for information on the 19 FBS programs that operate at private institutions or within a private athletics organization was not granted. As such, CLA made several assumptions (outlined in the body of the report) to account for the missing schools (both FBS and non-FBS).

² KCIA was unable to include financial data on the University of Idaho in time for the publication of this report. Idaho left the FBS after the 2017-18 academic year and reclassified to the FCS but would have been a public FBS school during the year of this assessment.

Additionally, CLA learned from the NCAA that the numbers reported by institutions on their annual NCAA Financial Report Forms, obtained by KCIA, were not, in some cases, the final numbers used to determine the distribution amounts. This discrepancy is mainly due to the data on NCAA Report Forms being used for compliance reporting and not for the actual distributions. For example, scholarships for the Grants-In-Aid (GIA) Fund are counted differently for compliance and revenue distribution purposes. In some cases, a school can report more or fewer scholarships depending on the circumstances. Conversations with the NCAA and KCIA led us to believe that these differences would not materially change the results.

Based on the data received and the assumptions made, CLA removed the FBS factors and calculated the amount of monies available for reallocation for the GIA and Sport Sponsorship Funds to total between \$60,984,684 and \$65,810,380.

Amounts Available for Reallocation after Removal of FBS Football Factors	
Funds	Impact
Grants-In-Aid Fund	\$56,340,304 - \$61,166,000
Sports Sponsorship Fund	\$4,644,380
Total	\$60,984,684 - \$65,810,380

We determined the GIA Fund distribution by the number of scholarships provided by a school. As CLA only had information on the 107 public FBS schools, we estimated a range for the 20 missing schools (19 private and 1 public) based upon the least and most impacted public schools.

The \$50,237,314 total in the table below is a subset of the total estimated amount for GIA as it does not include the estimate for the missing, 20 FBS schools.

GIA Fund: Available Funds for Reallocation*	
Conferences	Amounts
FBS	\$48,689,595
Big Ten Conference	\$6,654,931
Southeastern Conference	\$6,427,128
Mid-American Conference	\$5,851,754
Conference USA	\$5,166,917
Pacific-12 Conference	\$4,890,253
Mountain West Conference	\$4,755,562
Big 12 Conference	\$4,048,315
Atlantic Coast Conference	\$3,863,624
Sun Belt Conference	\$3,692,472
American Athletic Conference	\$3,338,639
Non-FBS	\$1,547,719
Big West Conference	\$533,252
Atlantic 10 Conference	\$523,246
Western Athletic Conference	\$491,221
Patriot League	\$0
Total	\$50,237,314

*Figures do not include estimates for private schools and 1 public school. Note that not all 107 public institutions that were considered active FBS members were in FBS conferences for NCAA Revenue distribution purposes as some football programs operated as independents in 2016-17.

The number of qualifying sports that a school sponsors determines the Sport Sponsorship Fund distribution. The removal of football from FBS schools would reduce the amount per school by \$36,569.92. CLA confirmed with the NCAA that all 127 FBS schools received a distribution from this fund in 2018 and, as such, the removal of FBS football would result in \$4,644,380 of funds that would be available for reallocation.

Amounts Available for Reallocation after Removal of FBS Football Factors	
Funds	Impact
Sports Sponsorship Fund	\$4,644,380

For Special Assistance and Student-Athlete Opportunity Funds, we were not able to determine the amount available for reallocation due to missing data elements. We were only able to determine the size of the change in distributions, assuming all monies were reallocated between the conferences.

Special Assistance Fund			Student-Athlete Opportunity Fund		
Conference	Increase/(Decrease) in Distribution	Size of Change*	Conference	Increase/(Decrease) in Distribution	Size of Change*
Big Ten Conference	\$105,383	\$105,381	Big Ten Conference	\$228,849	\$237,768
Mountain West Conference	\$10,572	\$40,907	Atlantic Coast Conference	\$58,703	\$80,582
Pacific-12 Conference	\$8,907	\$39,416	Southeastern Conference	\$46,849	\$83,605
Atlantic Coast Conference	\$8,414	\$34,728	Pacific-12 Conference	\$33,328	\$72,099
Big 12 Conference	\$3,449	\$26,052	Patriot League	\$1,409	\$1,409
Atlantic 10 Conference	\$3,390	\$3,390	Atlantic 10 Conference	(\$4,302)	\$4,302
Western Athletic Conference	\$1,088	\$1,088	Big West Conference	(\$5,028)	\$5,028
Patriot League	\$173	\$173	Western Athletic Conference	(\$7,065)	\$7,065
Mid-American Conference	(\$1,565)	\$51,386	American Athletic Conference	(\$9,596)	\$49,038
American Athletic Conference	(\$1,704)	\$34,807	Big 12 Conference	(\$12,953)	\$34,681
Big West Conference	(\$2,404)	\$2,404	Mountain West Conference	(\$37,410)	\$67,400
Sun Belt Conference	(\$40,595)	\$42,334	Sun Belt Conference	(\$77,265)	\$77,264
Conference USA	(\$46,552)	\$65,521	Mid-American Conference	(\$90,059)	\$92,949
Southeastern Conference	(\$48,554)	\$59,090	Conference USA	(\$125,461)	\$125,460
Net Impact	(\$0)	\$506,677	Net Impact	(\$0)	\$938,650

*The size of change represents the sum of the absolute value of the change in distribution at the institutional level.

2. Background and Scope of Work

According to the NCAA, nearly half a million college students participate in intercollegiate athletics annually at more than 1,000 NCAA member schools. NCAA member schools are classified in Divisions I, II or III. Division I institutions receive direct funding from the NCAA, as described below, to support providing these athletic opportunities.

For purposes of this project and understanding the KCIA’s objective in this assessment, one needs to understand how the NCAA generates monies and then passes that from the NCAA to Division I colleges and universities:

- The NCAA receives most of its revenue from its Division I Men’s Basketball Championship television and marketing rights, as well as championship ticket sales. The revenue funds championships, national programs, and other national office initiatives and operations to support student-athletes in all three divisions (Divisions I, II and III). Monies are distributed directly to Division I schools or their conferences through multiple distribution formulas. Strictly for Division I, the revenue distribution provides nearly \$600 million directly back to Division I institutions on an annual basis.
- In NCAA Division I, programs offer the sport of football at one of two competitive levels—the Football Bowl Subdivision (FBS) level or the Football Championship Subdivision (FCS) level. The NCAA does not manage the FBS football postseason bowl games or the marquee championship for this subdivision – the College Football Playoff (CFP). Instead, the FBS conferences manage postseason bowl games, the CFP, and all associated revenue. As such, these revenues are not part of the NCAA distributions to Division I schools and conferences.
- According to the NCAA Division I Revenue Distribution Plan, distributions are paid to either Division I individual schools or conferences for the distributions calculated for Sports

Sponsorship and GIA. In these cases, “the NCAA defers to conference bylaws when processing the distributions. All other distributions are paid to the conference.”

- While some of the actual NCAA distributions may bypass an institution’s conference, the NCAA’s “Total Revenue Distribution by Conference” report shows the amounts of all distributions according to each institution’s primary conference affiliation. Thus, all distributions are accounted for in this report for the 32 Division I conferences. For example, amounts sent directly to institutions for the Sports Sponsorship calculation will be reflected in the totals for these institutions’ primary conferences on the NCAA “Total Revenue Distribution by Conference” report. Each institution’s primary conference affiliation for NCAA purposes is ultimately determined by its basketball affiliation. To illustrate a specific instance, Navy’s primary conference for NCAA purposes is the Patriot League, although its FBS football program competes in the American Athletic Conference.
- The formula by which the NCAA distribution is determined is based on a variety of factors, summarized as follows:
 - Funds not impacted by FBS football factors:
 - **Academic Enhancement Fund:** This fund is distributed equally among active Division I institutions. The fund is intended for enhancement of academic-support programs for Division I student-athletes.
 - **Basketball Performance Fund:** This fund is distributed to active Division I conferences based on their teams’ performances in the Division I Men’s Basketball Championship over a six-year rolling period, excluding the championship game.
 - **Equal Conference Fund:** This fund is distributed to active Division I basketball playing conferences over a six-year rolling period.
 - **Conference Grants:** These grants are distributed to Division I men's and women's basketball-playing conferences that employ a full-time administrator and are eligible for automatic qualification into the Division I men's and women's basketball championships.
 - Funds impacted by FBS football factors:
 - **Grants-in-Aid (GIA) Fund:** FBS football factors have a significant impact on this fund’s component in the NCAA revenue distribution plan. The values distributed from this fund significantly increase once a school provides more than 150 scholarships. For every scholarship over 150 total scholarships, a school receives 20 times the distribution rate per scholarship. Offering over 150 scholarships is a level that is hard to reach without a football program. The maximum number of scholarships allowed in most sports is less than 15, but for FBS football it is 85.
 - **Sports Sponsorship Fund:** This fund component considers FBS football by counting it as an NCAA sport, even though the NCAA does not sponsor a national

championship in the sport, which is the standard criteria for a sport to count for revenue distribution purposes. Schools receive an additional distribution for each sport beginning with the 14th sport, since 14 sports are the required minimum level for NCAA Division I membership. The NCAA also counts emerging sports for women for Sports Sponsorship purposes even though it does not sponsor a national championship in these sports (e.g. Equestrian, Rugby, Triathlon, etc.).

- ***Special Assistance Fund***: This restricted fund component uses the following FBS football factors: number of football players on Pell Grants, number of football scholarships, and sport of football as a sponsored sport.
- ***Student-Athlete Opportunity Fund***: This restricted fund component uses the following FBS football factors: consideration of football players' scholarships using the GIA methodology and inclusion of football in sport sponsorship numbers beginning with the 14th sport.

In summary, the majority of the NCAA revenues distributed to Division I conferences and schools are derived from the NCAA Division I Men's Basketball tournament. The NCAA does not receive any revenue from FBS football nor does it sponsor the FBS football championship. Thus, none of the revenues distributed by the NCAA are generated from FBS football. Yet, as noted in the four bullets above, FBS football factors significantly impact the revenue distribution amounts by institution.

3. Information and Data

The mission of this project is to recalculate the 2018 NCAA revenue distribution formula to estimate the pro forma impact of the FBS football factors on the NCAA revenue distribution amounts.

3.1. Data provided by KCIA

Through Freedom of Information Act requests, KCIA obtained data from 107 public, FBS schools through each institution's NCAA Financial Report Form to assist with the calculations for the 2018 distribution. For each of the funds impacted by FBS football factors described above, the distributions were based on data from the 2016-17 academic year.

1. GIA
 - a. Total scholarships awarded (with and without football)
2. Sport Sponsorship
 - a. Total sports sponsored
3. Special Assistance Fund
 - a. Total Pell Grants (with and without football)
 - b. Total scholarships awarded (with and without football)
 - c. Total sports sponsored
4. Student-Athlete Opportunity Fund
 - a. Total scholarships awarded (with and without football)
 - b. Total sports sponsored
5. Conferences
 - a. Mapping of institutions to their respective conferences for distribution purposes

To validate the data obtained by KCIA, CLA attempted to recalculate the distribution and compared those results to the conference level distributions provided by the NCAA on its “Total Revenue Distribution by Conference” report (See Appendix B). CLA identified several variances and, through discussions with the NCAA, identified potential causes. The NCAA collects information from institutions for compliance and for distribution purposes. Different rules govern how these metrics count towards those two purposes. The information available to KCIA included metrics used for compliance purposes. The metrics used for distribution purposes were not provided, though requested. However, based on conversations with the NCAA and KCIA, the compliance metrics should not differ materially from those used for distribution purposes.

3.2. Data provided by NCAA

The NCAA was unwilling to provide anonymized, institutional-level detail on the private schools and was unwilling to provide KCIA with updated distribution metrics for the 107 public FBS schools. However, the NCAA was able to provide guidance on the distribution methodology as well as provide and/or confirm the following high-level information related to the 2018 distribution.

1. GIA
 - a. Total distribution and points
 - b. Rate amount
2. Sport Sponsorship
 - a. Total number of FBS programs that received a distribution
 - b. Fixed amount per sport sponsored
3. Special Assistance Fund
 - a. Breakout of FBS vs. non-FBS schools that received a distribution from each subcategory
4. Student-Athlete Opportunity Fund
 - a. Breakout of FBS vs. non-FBS schools that received a distribution from each subcategory
5. Conferences
 - a. Mapping of institutions to their respective conferences for distribution purposes

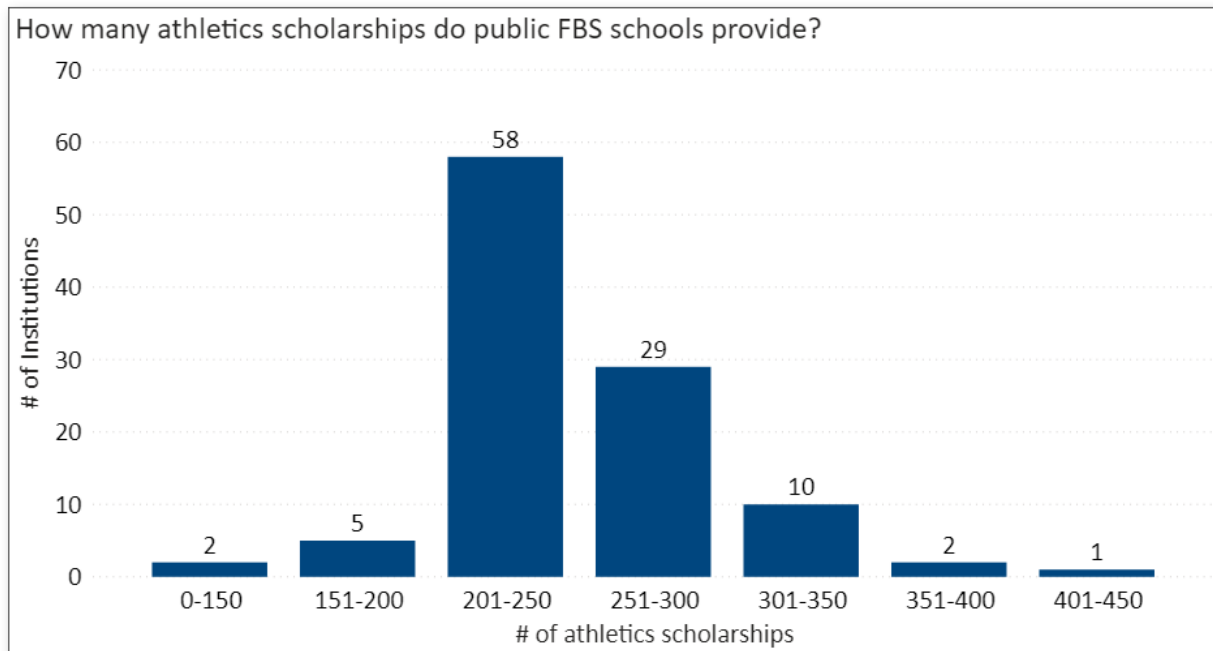
4. Technical Analysis

4.1. Grants-In-Aid (GIA)

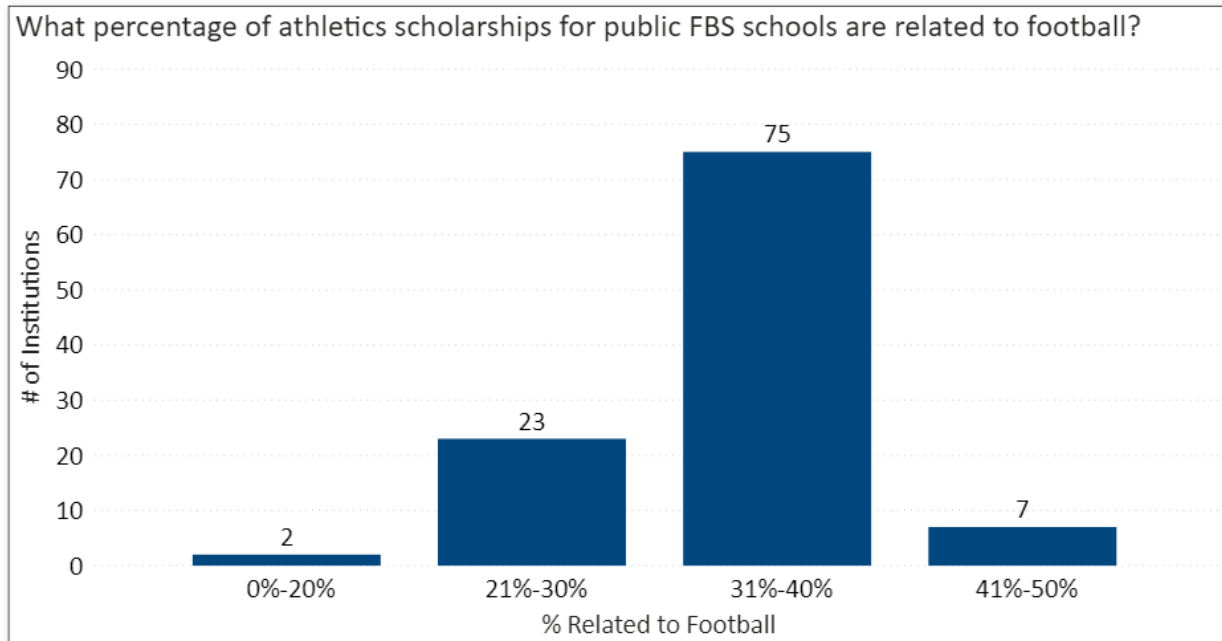
Distributions for GIA are based upon the number of athletics scholarships provided by an institution in the previous school year. As an institution provides more scholarships, it not only receives more monies due to volume, but the distribution per scholarship can also increase. The distribution schedule below shows the multipliers by tier number of scholarships. The first 50 scholarships result in revenue distribution at the \$299.58 per scholarship rate, whereas the next 50 scholarships (51-100) generate a rate of \$599.16 per scholarship due to the 2x multiplier.

Tier	Grants	Multiplier	Rate Amount	Distribution per Scholarship
Tier 1	1-50	1	\$299.58	\$299.58
Tier 2	51-100	2	\$299.58	\$599.16
Tier 3	101-150	10	\$299.58	\$2,995.80
Tier 4	151+	20	\$299.58	\$5,991.60

Given that FBS schools are allowed to provide 85 scholarships for football alone, the majority of these schools receive distributions within the highest tier (\$5,991.60 per scholarship). In fact, 98% of the 107 public FBS schools were over the 150 scholarship threshold.



Out of the 107 public FBS schools, only two were below the highest tier in the GIA schedule. The two institutions, Air Force Academy and U.S. Military Academy (Army), do not provide athletics scholarships. To understand the influence of FBS football, the following visual shows the percentage of athletics scholarships tied to the sport.



For all public FBS schools (excluding Air Force and Army), football accounts for more than 20% of the total athletics scholarships.

The impact of removing FBS football scholarships from the NCAA's GIA Fund formula for 107 public FBS schools is \$50,237,314, assuming that none of the funds are reallocated. Below is a summary of the funds available for reallocation by conference.

GIA Fund: Available Funds for Reallocation*	
Conferences	Amounts
FBS	\$48,689,595
Big Ten Conference	\$6,654,931
Southeastern Conference	\$6,427,128
Mid-American Conference	\$5,851,754
Conference USA	\$5,166,917
Pacific-12 Conference	\$4,890,253
Mountain West Conference	\$4,755,562
Big 12 Conference	\$4,048,315
Atlantic Coast Conference	\$3,863,624
Sun Belt Conference	\$3,692,472
American Athletic Conference	\$3,338,639
Non-FBS	\$1,547,719
Big West Conference	\$533,252
Atlantic 10 Conference	\$523,246
Western Athletic Conference	\$491,221
Patriot League	\$0
Total	\$50,237,314

*Figures do not include estimates for private schools. Note that not all 107 public institutions that were considered active FBS members were in FBS conferences for NCAA Revenue distribution purposes as some football programs operated as independents in 2016-17.

CLA estimates the impact of removing football factors from this calculation for the missing FBS schools to be between \$6,102,990 and \$10,928,686. To determine the lower limit, we used the public FBS school with the least amount of impact (\$321,210), and we multiplied that impact by the number of missing FBS schools that offer athletics scholarships (19). [Note: Military academies are excluded from this calculation since they do not offer athletics scholarships.] Conversely, to determine the upper limit, we used the public FBS school with the largest impact (\$575,194), and we again multiplied that impact by the number of missing FBS schools that offer athletics scholarships (19). This approach assumes that the individual missing school impact is no greater and no smaller than any of the 105 public FBS schools (excludes military academies, which do not receive GIA). Combining the missing school impact range with the public school estimate results in an estimated reduction of revenue distributed between \$56,340,304 and \$61,166,000 after removing FBS football factors.

Amounts Available for Reallocation after Removal of FBS Football Factors	
Funds	Impact
Grants-In-Aid Fund	\$56,340,304 - \$61,166,000

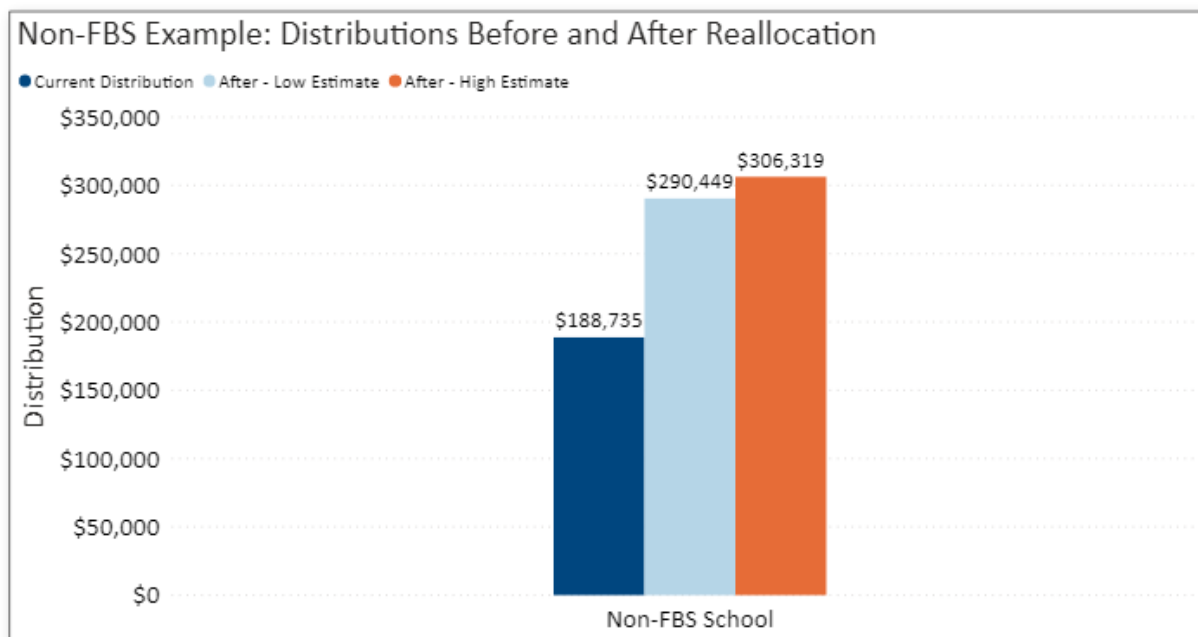
This range serves to demonstrate the impact that FBS football has on determining the distribution amounts for each school. It is important to note that changing the number of scholarships for a school will impact all other schools. The NCAA determines the distribution for GIA as a whole and then collects awarded scholarship data from all of the schools. Those two data points, total distribution amount and total scholarships, ultimately determine the rate per scholarship value. As such, changing the total distribution amount and/or the total scholarships awarded (i.e. if a sport no longer qualified for GIA and its scholarships did not count for distribution purposes) would impact the Rate Amount (\$299.58).

If these funds were redistributed into the pool of available monies for GIA, then a potential result would be an increase in the Rate Amount in the Distribution Schedule. By adding \$56,340,304 to \$61,166,000 back to the fund, the rate amount would increase by an estimated 53.9% - 62.3% (\$161.45 - \$186.64, note that the percentage changes are displayed as rounded numbers) from the original amount of \$299.58.

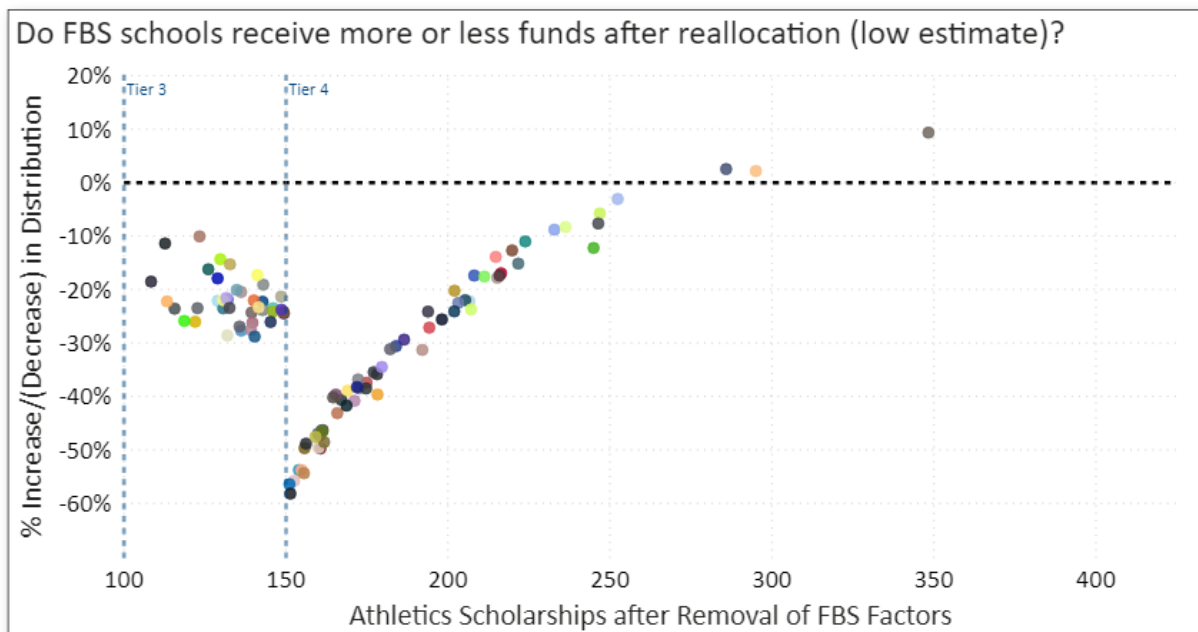
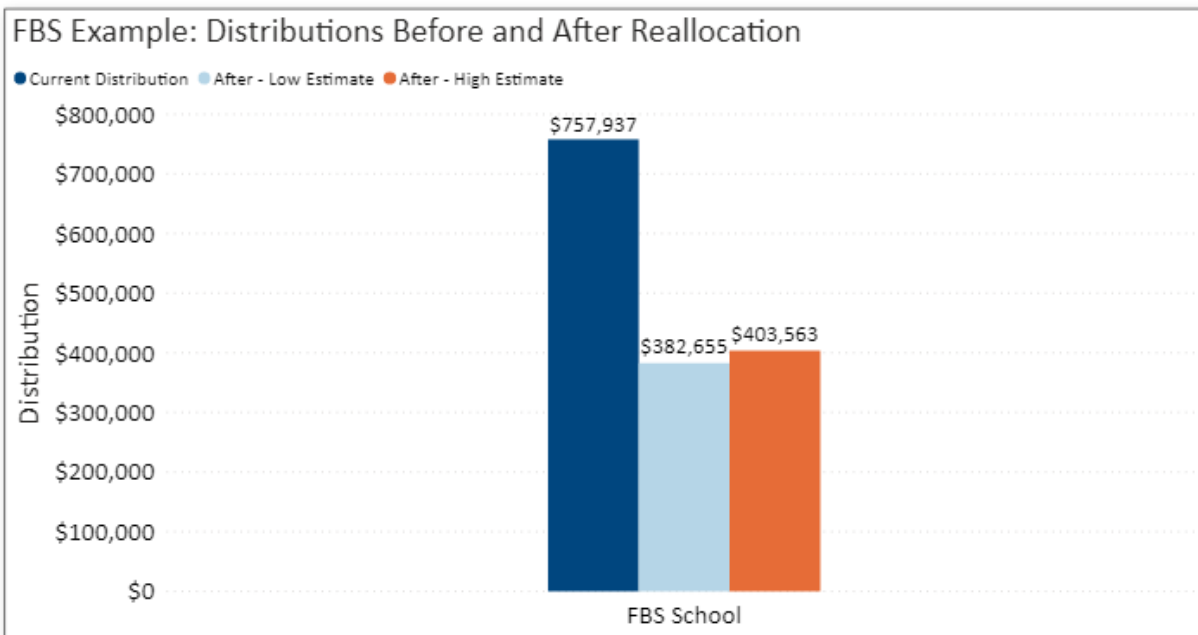
To illustrate the potential impact of the unit value increase (and not counting FBS football scholarships), we estimated the distribution and potential reallocation for a hypothetical FBS and a hypothetical non-FBS school.

All non-FBS schools would experience an increase in their share of the distribution due to the higher rate, which occurs with the removal of FBS football scholarships.

The hypothetical non-FBS school would experience a significant increase in its distribution assuming the funds were reallocated. Under the current rate of \$299.58, the school would receive a distribution of \$188,735 for its 148 athletics scholarships. After the funds are reallocated, the rate would increase to \$461.03 - \$486.22, which results in an estimated distribution between \$290,449 and \$306,319.

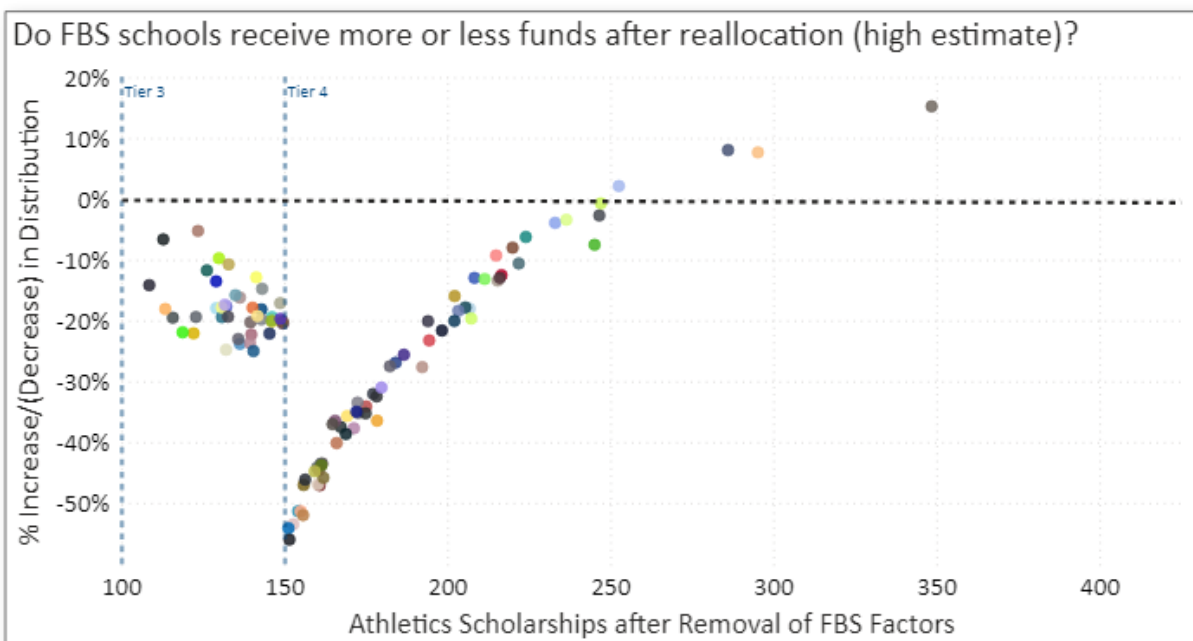


For a hypothetical FBS school that offers 244 scholarships, we see the reverse. The loss of football (85 scholarships) would yield a lower distribution despite the gains made by the higher rates. However, FBS schools that provide the most scholarships relative to their peers would be the least impacted. When an institution offers athletics scholarships in a larger number of sports, it may receive more funds without the inclusion of FBS football scholarships than if those factors were included. We found this to be the case with three institutions using our low estimate and four institutions using our high estimate, as described in more detail below.



In the visual above, three FBS schools (out of the 107 for which we have data) would have received increased funding assuming that the available funds are reallocated using the low estimated rate of \$461.03. The tiers refer to the GIA Distribution Schedule illustrated in the beginning of this section. Those three schools are able to generate additional funds as they provide a significantly higher number of non-football athletic scholarships relative to their peers. It would be unlikely for an FBS school with fewer than 150 scholarships to increase its funding unless it had an unusually low amount of football scholarships. This assumption is driven by the multiplier in the GIA Distribution Schedule. For every scholarship over 150 total scholarships, a school receives 20 times the distribution rate per scholarship. As such, an FBS school would offset the loss of FBS football scholarships to a greater degree by having scholarships in other sports over the 150 threshold.

As expected, in the visual below with the high estimated rate of \$486.22, there is less of an impact from excluding FBS factors due to the increased rate. One additional school would experience an increase in funding despite the removal of FBS factors. The increased rate shifts all of the points upwards (compared to the low estimate) as the only factor changing is the increased rate. In other words, the number of scholarships removed remains constant for the schools represented in the visual but the rate increases. As a reminder, the assumption regarding the characteristics of the missing FBS schools drives the high and low estimate. The low estimate assumes that the missing FBS schools are similar to the school that has the least amount of impact within our data and the high estimate, conversely, assumes that the missing schools are similar to the school with the most impact.



In both estimates, the schools that fall within Tier 3 (i.e., offering between 100 – 150 athletics scholarships) do not appear to have the same general trend as schools within Tier 4 (i.e., offering more than 151 athletics scholarships). In the former, no clear trend emerges, whereas in the latter, as scholarships increase, the impact lessens. This discrepancy is borne out of the multipliers used within the GIA Distribution Schedule. For example, if School A had 221 scholarships before FBS factors were removed and dropped to 140 scholarships, then removing FBS football factors would have more of an impact as opposed to School B that started with 200 scholarships and dropped to 120. Even

though School A has more scholarships at the end, it experienced a greater percentage decline in its distribution due to its higher number of scholarships in Tier 4. School B had a lower starting point within Tier 4 and therefore experienced less of a percentage decline.

4.2. Sports Sponsorship

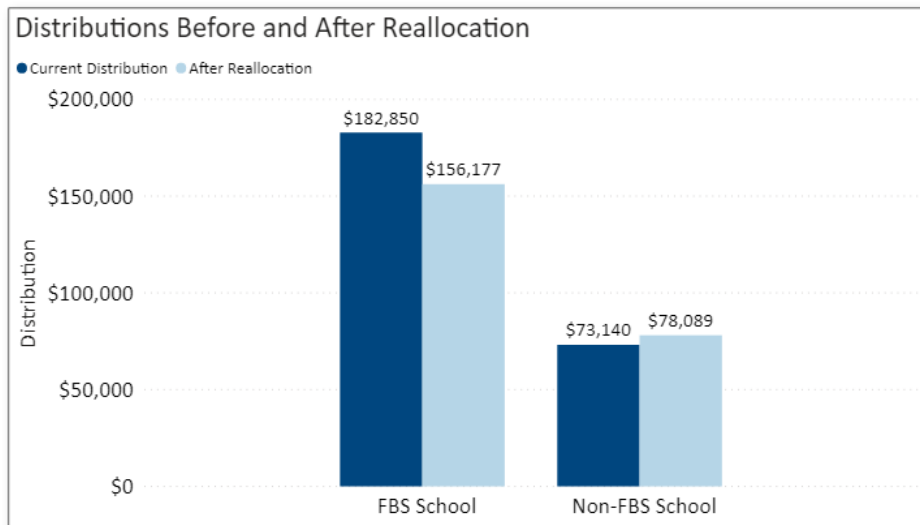
Although CLA did not receive institutional level data from all FBS schools, the NCAA did provide information to help calculate the impact on Sports Sponsorship. Each institution receives a fixed amount for every sport that it sponsors in excess of 13 sports. For example, if School A had 14 sports, then it would receive 1 unit, whereas School B with 15 sports would receive 2 units.

For the 2018 distribution, the fixed amount distributed per unit was \$36,569.92. We learned from the NCAA that 127 FBS schools received a distribution related to Sports Sponsorships for the 2018 distribution. Therefore, the impact of removing FBS football from these schools results in approximately \$4,644,380 (127 multiplied by \$36,569.92) of funds available for reallocation.

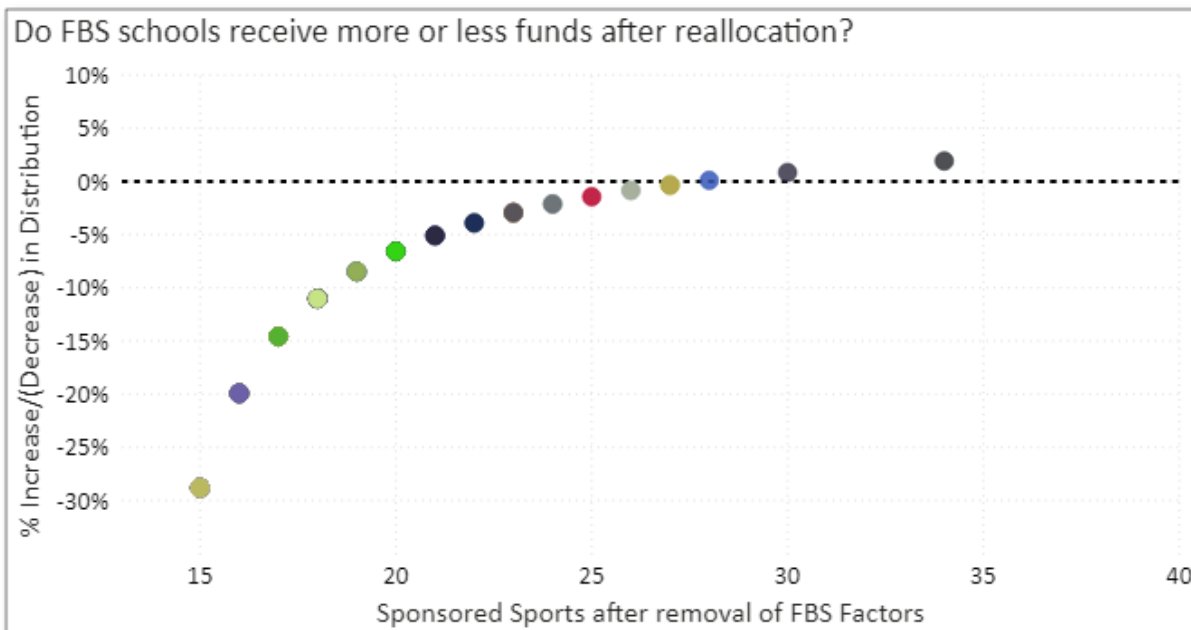
Funds	Impact
Sports Sponsorship Fund	\$4,644,380

If these funds were redistributed, the impact would be an increase of approximately 6.8% (displayed as rounded to nearest .1%), or \$2,474.37, per sport sponsored. The example below demonstrates the impact on a hypothetical FBS and a hypothetical non-FBS school prior to any FBS factors being removed, and after removal of FBS factors and the subsequent reallocation of funds. Under the current distribution, the FBS school received credit for 18 sponsored sports versus the non-FBS school, which has 15 sports. After reallocation, the FBS school only receives credit for 17 sports (FBS football removed) and the non-FBS school maintains credit for its 15 sports.

School	Current Sports	Current Distribution	After Reallocation Sports	After Reallocation Distribution
FBS School	18	\$182,850	17	\$156,177
Non-FBS School	15	\$73,140	15	\$78,089



The increase in the distribution per school (\$2,474.37) offsets the loss of football for the FBS schools and increases the distribution for the non-FBS schools. Similar to GIA, we identified FBS schools within our dataset that would see an increase in funding after the money was reallocated.



*107 FBS schools are included in the figure above, however, many of the schools have the same value which gives the appearance of less data points

The increases in this fund are not as significant as with the GIA fund due to the smaller distribution amount per sport. The removal of FBS football would result in a distribution reduction for every FBS school by \$36,569.92. In this example, we assumed that money available for reallocation would be redistributed to all of the schools and increase the per sport distribution amount to \$39,044.29. As such, FBS schools that already sponsor a high number of sports would see an offset to the loss of FBS football counting as an NCAA sport for revenue distribution purposes through the increased distribution rate for remaining NCAA sports sponsored. In the same way as the GIA estimate, those

schools that sponsor significantly more NCAA sports would benefit from the increased distribution rate.

4.3. Special Assistance and Student-Athlete Opportunity Funds

These funds are different from the other funds in that they are designated by the NCAA as “restricted-use funds” and are to be used only for specific purposes to benefit college athletes.

The revenue distribution for Special Assistance and Student-Athlete Opportunity funds is determined on a pro-rata basis. Removing FBS football factors from these two funds impacts the revenue distribution to not only FBS schools but also to all non-FBS schools. The **total dollars** distributed would not change directly by removing FBS football factors; rather the amounts that each institution could receive would change and could be greater or less than the original distribution. Thus, institutions with a greater number of sports and greater number of athletics opportunities would get more money; and that money would come through reallocations from institutions with fewer sports and fewer opportunities.

4.3.1. Special Assistance Fund

A total of \$18,175,994 was distributed from the Special Assistance Fund (“SAF”) on June 13, 2018, for the 2016-17 school year. According to the 2018 Revenue Distribution Plan, the total funds available for distribution are first split into three buckets before pro-rata distributions are determined from each bucket based on prior academic year metrics.

1. Pell Grants – 70% of the funds available, or \$12,723,196
2. GIA – 15% of the funds available, or \$2,726,399
3. Sports Sponsored – 15% of the funds available, or \$2,726,399

SAF dollars are distributed to institutions based upon each school’s quotient of prior year metrics relative to those of all qualifying schools. Removing FBS football factors would change the numerators in each of the buckets for the FBS institutions, while the denominators would change for every institution in each of the buckets.

While we had access to the metrics for the 107 public FBS schools, the factors for the private FBS and non-FBS schools that received SAF distributions were not provided. The NCAA shared the following table to break down the number of institutions that received a 2018 SAF revenue distribution.

2016-17 Data used for 2018 Revenue Distribution				
SAF Components	Non-FBS	FBS	Did not Qualify	Total DI Institutions
Pell Grants	224	124	3	351
Grants-In-Aid	211	124	16	351
Sports Sponsorship	219	127	5	351

While we received relevant metrics for 107 of the 108 public FBS schools, we did not have available the total SAF funds distributed to each institution. As a result, to determine the impact of removing FBS football factors on SAF distributions for only the 107 public FBS schools, we had to first make an assumption about what proportion of each SAF distribution bucket was distributed to the 107 schools. Given the data limitations, we made the assumption for illustrative purposes to split the available funds in each bucket equally among the qualifying schools, as follows. It should be noted, however, that this assumption and the estimates below are believed to provide a conservative impact of FBS football on this fund.

1. Pell Grants – \$12,723,196, multiplied by 105 (public FBS schools with Pell grants, excluding Air Force and Army) divided by 348 (224 total Non-FBS schools plus 124 total FBS schools), or \$3,838,895. Note: The denominator removes the three military academies from the 351 total D1 institutions: Air Force, Army, and Navy.
2. GIA – \$2,726,399, multiplied by 105 (public FBS schools with GIA, excluding Air Force and Army) divided by 335 (211 total Non-FBS schools plus 124 total FBS schools), or \$854,543. Note: The denominator removes 16 institutions that did not qualify; the NCAA did not make available the names of those institutions.
3. Sports Sponsored – \$2,726,399, multiplied by 107 (public FBS schools) divided by 346 (219 total Non-FBS schools plus 127 total FBS schools), or \$843,135. Note: The denominator removes 5 institutions that did not qualify; the NCAA did not make available the names of those institutions.

For each of the 107 public FBS schools, we recalculated the allocation of the funds in each of the three buckets above using the school's relevant metric in proportion to the total of each metric for all 107 schools (or 105 schools for Pell Grants and GIA to exclude Air Force and Army). The results are summarized by conferences in the following table:

Special Assistance Fund		
Conference	Increase/(Decrease) in Distribution	Size of Change*
Big Ten Conference	\$105,383	\$105,381
Mountain West Conference	\$10,572	\$40,907
Pacific-12 Conference	\$8,907	\$39,416
Atlantic Coast Conference	\$8,414	\$34,728
Big 12 Conference	\$3,449	\$26,052
Atlantic 10 Conference	\$3,390	\$3,390
Western Athletic Conference	\$1,088	\$1,088
Patriot League	\$173	\$173
Mid-American Conference	(\$1,565)	\$51,386
American Athletic Conference	(\$1,704)	\$34,807
Big West Conference	(\$2,404)	\$2,404
Sun Belt Conference	(\$40,595)	\$42,334
Conference USA	(\$46,552)	\$65,521
Southeastern Conference	(\$48,554)	\$59,090
Net Impact	(\$0)	\$506,677

*The size of change represents the sum of the absolute value of the change in distribution at the institutional level.

4.3.2. Student-Athlete Opportunity Fund

A total of \$66,709,253 was distributed from the Student-Athlete Opportunity Fund (“SAOF”) on June 13, 2018. The total funds available for distribution are first split into two buckets before pro-rata distributions are determined from each bucket based on prior academic year metrics.

1. GIA – 2/3 or 66.7% of the funds available, or \$44,427,835
2. Sports Sponsored – 1/3 or 33.3% of the funds available, or \$22,236,418

SAOF dollars go to institutions based upon each school’s respective quotient of prior year metric relative to the total of those metrics for all qualifying schools. Removing FBS football factors would change the numerators in each of the buckets for those FBS institutions, while the denominators would change for every institution in each of the buckets.

We used the same information shared by the NCAA mentioned in the SAF distribution calculations for the number of institutions that received a 2018 SAOF revenue distribution. While we received relevant metrics for 107 of the 108 public FBS schools, we did not have available the total SAOF funds distributed to each institution. As a result, to determine the impact of removing FBS football factors on SAOF distributions for only the 107 public FBS schools, we had to first make an assumption about what proportion of each SAOF distribution bucket was distributed to the 107 schools. Given the data limitations, we made the assumption for illustrative purposes to split the

available funds in each bucket equally among the qualifying schools, as follows. It should be noted, however, that this assumption and the estimates below are believed to provide a conservative impact of FBS football on this fund.

1. GIA – \$44,427,835, multiplied by 105 (public FBS schools with GIA, excluding Air Force and Army) divided by 335 (211 total Non-FBS schools plus 124 total FBS schools), or \$13,925,142. Note: The denominator removes 16 institutions that did not qualify for a SAF; the NCAA did not make available the names of those institutions.
2. Sports Sponsored – \$22,236,418, multiplied by 107 (public FBS schools) divided by 346 (219 total Non-FBS schools plus 127 total FBS schools), or \$6,876,580. Note: The denominator removes 5 institutions that did not qualify for a SAF; the NCAA did not make available the names of those institutions.

For each of the 107 public FBS schools, we recalculated the pro-rata allocation of the funds in each of the three buckets above using the school’s relevant metric in proportion to the total of each metric for all 107 schools (or 105 schools for Pell Grants and GIA to exclude Air Force and Army). The results are summarized by conferences in the following table.

Conference	Increase/(Decrease) in Distribution	Size of Change*
Big Ten Conference	\$228,849	\$237,768
Atlantic Coast Conference	\$58,703	\$80,582
Southeastern Conference	\$46,849	\$83,605
Pacific-12 Conference	\$33,328	\$72,099
Patriot League	\$1,409	\$1,409
Atlantic 10 Conference	(\$4,302)	\$4,302
Big West Conference	(\$5,028)	\$5,028
Western Athletic Conference	(\$7,065)	\$7,065
American Athletic Conference	(\$9,596)	\$49,038
Big 12 Conference	(\$12,953)	\$34,681
Mountain West Conference	(\$37,410)	\$67,400
Sun Belt Conference	(\$77,265)	\$77,264
Mid-American Conference	(\$90,059)	\$92,949
Conference USA	(\$125,461)	\$125,460
Net Impact	(\$0)	\$938,650

*The size of change represents the sum of the absolute value of the change in distribution at the institutional level.

5. Engagement Limitations

This report contains, and our work was undertaken to prepare, pro forma calculations regarding the impact of FBS football factors on revenues distributed from the NCAA Division I men's basketball tournament and not legal opinions. No portion of our report or work should be understood to contain legal opinions or advice. The scope of our work is limited and does not include an audit, examination, review, or compilation of financial statements, as those terms are defined in standards promulgated by the American Institute of Certified Public Accountants, and accordingly we express no such opinion on the financial information or other information we received in the course of our work.

Other than the work documented in this report, we have not independently verified the accuracy of the information we considered or the underlying data.

This report is prepared in connection with the engagement referenced and should not be used for any other purpose.

Respectfully submitted,



Jean Bushong, CPA
Principal



Mathew W. Anderson, CPA/CFF, CFE, ASA
Principal

This report was prepared in collaboration with Amy Perko, Scott Hirko, and Jerry Felicelli from the Knight Commission on Intercollegiate Athletics.

Appendix A: 2016-17 FBS Schools

Summary of FBS School Data				
	✓	✗	*	Totals
Private		19		19
Public	107		1	108
Grand Total	107	19	1	127

✓ Institutional level data obtained through Freedom of Information Act Requests

✗ Institutional level data request denied by the NCAA

* KCIA was not able to obtain data on Idaho in time for the publication of this report

School	Type	Received data?
Air Force	Public	✓
Akron	Public	✓
Alabama	Public	✓
App State	Public	✓
Arizona	Public	✓
Arizona St.	Public	✓
Arkansas	Public	✓
Arkansas St.	Public	✓
Army West Point	Public	✓
Auburn	Public	✓
Ball St.	Public	✓
Boise St.	Public	✓
Bowling Green	Public	✓
Buffalo	Public	✓
California	Public	✓
Central Mich.	Public	✓
Charlotte	Public	✓
Cincinnati	Public	✓
Clemson	Public	✓
Colorado	Public	✓
Colorado St.	Public	✓
East Carolina	Public	✓
Eastern Mich.	Public	✓
FIU	Public	✓
Fla. Atlantic	Public	✓
Florida	Public	✓
Florida St.	Public	✓
Fresno St.	Public	✓
Ga. Southern	Public	✓
Georgia	Public	✓

School	Type	Received data?
Georgia St.	Public	✓
Georgia Tech	Public	✓
Hawaii	Public	✓
Houston	Public	✓
Illinois	Public	✓
Indiana	Public	✓
Iowa	Public	✓
Iowa St.	Public	✓
Kansas	Public	✓
Kansas St.	Public	✓
Kent St.	Public	✓
Kentucky	Public	✓
Louisiana	Public	✓
Louisiana Tech	Public	✓
Louisville	Public	✓
LSU	Public	✓
Marshall	Public	✓
Maryland	Public	✓
Massachusetts	Public	✓
Memphis	Public	✓
Miami (OH)	Public	✓
Michigan	Public	✓
Michigan St.	Public	✓
Middle Tenn.	Public	✓
Minnesota	Public	✓
Mississippi St.	Public	✓
Missouri	Public	✓
NC State	Public	✓
Nebraska	Public	✓
Nevada	Public	✓
New Mexico	Public	✓
New Mexico St.	Public	✓
North Carolina	Public	✓
North Texas	Public	✓
Northern Ill.	Public	✓
Ohio	Public	✓
Ohio St.	Public	✓
Oklahoma	Public	✓
Oklahoma St.	Public	✓
Old Dominion	Public	✓
Ole Miss	Public	✓
Oregon	Public	✓

School	Type	Received data?
Oregon St.	Public	✓
Penn St.	Public	✓
Purdue	Public	✓
Rutgers	Public	✓
San Diego St.	Public	✓
San Jose St.	Public	✓
South Alabama	Public	✓
South Carolina	Public	✓
South Fla.	Public	✓
Southern Miss.	Public	✓
Tennessee	Public	✓
Texas	Public	✓
Texas A&M	Public	✓
Texas St.	Public	✓
Texas Tech	Public	✓
Toledo	Public	✓
Troy	Public	✓
UCF	Public	✓
UCLA	Public	✓
UConn	Public	✓
ULM	Public	✓
UNLV	Public	✓
Utah	Public	✓
Utah St.	Public	✓
UTEP	Public	✓
UTSA	Public	✓
Virginia	Public	✓
Virginia Tech	Public	✓
Washington	Public	✓
Washington St.	Public	✓
West Virginia	Public	✓
Western Ky.	Public	✓
Western Mich.	Public	✓
Wisconsin	Public	✓
Wyoming	Public	✓
Baylor	Private	✗
BYU	Private	✗
Duke	Private	✗
Miami (FL)	Private	✗
Northwestern	Private	✗
Notre Dame	Private	✗

School	Type	Received data?
United States Naval Academy	Private	✘
Pittsburgh	Private	✘
Rice	Private	✘
SMU	Private	✘
Stanford	Private	✘
Syracuse	Private	✘
TCU	Private	✘
Temple	Private	✘
Tulane	Private	✘
Tulsa	Private	✘
USC	Private	✘
Vanderbilt	Private	✘
Wake Forest	Private	✘
Idaho	Public	*

Appendix B: Total 2018 Revenue Distribution by Conference (Provided by NCAA)

CONFERENCE	EQUAL CONFERENCE	BASKETBALL FUND	SPORTS SPONSORSHIP	GRANTS IN AID	ACADEMIC ENHANCEMENT	CONFERENCE GRANT	SPECIAL ASSISTANCE	STUDENT-ATHLETE OPPORTUNITY FUND	NIT POSTSEASON	TOTAL
AMERICA EAST	\$1,641,174	\$547,058	\$1,499,368	\$2,767,010	\$1,231,254	\$296,943	\$395,743	\$1,313,515	\$5,220	\$9,697,285
AMERICAN ATHLETIC	\$1,641,174	\$15,864,694	\$2,157,626	\$7,861,668	\$1,641,672	\$296,943	\$691,068	\$3,090,870	\$5,220	\$33,250,935
ATLANTIC 10	\$1,641,174	\$10,120,581	\$3,218,153	\$3,011,857	\$1,915,284	\$296,943	\$562,341	\$1,913,416	\$0	\$22,679,749
ATLANTIC COAST	\$1,641,174	\$24,891,158	\$5,010,077	\$13,313,155	\$2,052,090	\$296,943	\$940,939	\$5,647,757	\$31,320	\$53,824,613
ATLANTIC SUN	\$1,641,174	\$1,094,117	\$1,316,518	\$911,604	\$1,094,448	\$296,943	\$353,266	\$683,570	\$5,220	\$7,396,860
BIG 12	\$1,641,174	\$19,967,632	\$2,011,347	\$7,518,919	\$1,368,060	\$296,943	\$632,992	\$2,940,195	\$26,100	\$36,403,362
BIG EAST	\$1,094,116	\$10,394,110	\$1,865,066	\$1,252,592	\$1,368,060	\$296,943	\$291,902	\$956,371	\$15,660	\$17,534,820
BIG SKY	\$1,641,174	\$0	\$1,535,937	\$4,217,728	\$1,641,672	\$296,943	\$613,379	\$1,773,614	\$0	\$11,720,447
BIG SOUTH	\$1,641,174	\$0	\$1,609,077	\$2,024,153	\$1,368,060	\$296,943	\$434,756	\$1,117,081	\$5,220	\$8,496,464
BIG TEN	\$1,641,174	\$25,985,275	\$5,851,183	\$16,335,318	\$1,915,284	\$296,943	\$947,442	\$6,839,501	\$31,320	\$59,843,440
BIG WEST	\$1,641,174	\$820,588	\$1,974,774	\$2,575,579	\$1,231,254	\$296,943	\$488,812	\$1,399,247	\$5,220	\$10,433,591
COLONIAL ATHLETIC	\$1,641,174	\$547,058	\$1,938,206	\$3,694,780	\$1,368,060	\$296,943	\$373,668	\$1,734,449	\$0	\$11,594,338
CONFERENCE USA	\$1,641,174	\$1,367,646	\$1,865,069	\$7,289,409	\$1,915,284	\$296,943	\$889,394	\$2,824,566	\$36,540	\$18,126,025
HORIZON LEAGUE	\$1,641,174	\$0	\$1,462,797	\$1,284,221	\$1,368,060	\$296,943	\$359,196	\$843,490	\$5,220	\$7,261,101
IVY LEAGUE	\$1,641,174	\$820,588	\$5,119,786	\$0	\$1,094,448	\$296,943	\$364,592	\$1,561,235	\$5,220	\$10,903,986
METRO ATLANTIC ATHLETIC	\$1,641,174	\$273,529	\$2,889,020	\$1,173,124	\$1,504,866	\$296,943	\$421,719	\$1,244,026	\$5,220	\$9,449,621
MID EASTERN ATHLETIC	\$1,641,174	\$820,588	\$1,243,379	\$2,147,180	\$1,778,478	\$296,943	\$825,293	\$1,043,637	\$5,220	\$9,801,892
MID-AMERICAN	\$1,641,174	\$547,058	\$2,157,627	\$8,449,652	\$1,641,672	\$296,943	\$737,971	\$3,272,830	\$0	\$18,744,927
MISSOURI VALLEY	\$1,641,174	\$4,923,526	\$1,426,228	\$2,525,418	\$1,368,060	\$296,943	\$431,822	\$1,216,446	\$0	\$13,829,617
MOUNTAIN WEST	\$1,641,174	\$4,376,467	\$2,413,614	\$6,814,607	\$1,504,866	\$296,943	\$572,098	\$2,844,903	\$5,220	\$20,469,892
NORTHEAST	\$1,641,174	\$547,058	\$2,815,882	\$1,641,351	\$1,368,060	\$296,943	\$439,857	\$1,366,622	\$5,220	\$10,122,167
OHIO VALLEY	\$1,641,174	\$273,529	\$1,499,368	\$3,073,074	\$1,641,672	\$296,943	\$694,412	\$1,408,233	\$0	\$10,528,405
PACIFIC-12	\$1,641,174	\$15,864,694	\$3,912,980	\$10,555,821	\$1,641,672	\$296,943	\$738,319	\$4,459,902	\$67,860	\$39,179,365
PATRIOT LEAGUE	\$1,641,174	\$547,058	\$3,730,132	\$2,654,262	\$1,368,060	\$296,943	\$285,375	\$1,958,875	\$0	\$12,481,879
SOUTHEASTERN	\$1,641,174	\$16,411,753	\$3,474,139	\$11,463,128	\$1,915,284	\$296,943	\$927,607	\$4,606,862	\$36,540	\$40,773,430
SOUTHERN	\$1,641,174	\$0	\$1,609,078	\$2,511,591	\$1,368,060	\$296,943	\$471,196	\$1,267,926	\$0	\$9,165,968
SOUTHLAND	\$1,641,174	\$547,058	\$1,133,670	\$3,299,652	\$1,778,478	\$296,943	\$734,910	\$1,366,836	\$5,220	\$10,803,941
SOUTHWESTERN	\$1,641,174	\$0	\$1,133,670	\$2,353,225	\$1,368,060	\$296,943	\$807,670	\$1,073,946	\$0	\$8,674,688
SUMMIT LEAGUE	\$1,641,174	\$273,529	\$1,170,238	\$2,224,245	\$1,094,448	\$296,943	\$287,692	\$1,045,184	\$0	\$8,033,453
SUN BELT	\$1,641,174	\$1,094,117	\$1,572,508	\$5,599,658	\$1,641,672	\$296,943	\$713,808	\$2,212,430	\$5,220	\$14,777,530
WEST COAST	\$1,641,174	\$5,744,113	\$1,682,217	\$1,687,677	\$1,368,060	\$296,943	\$373,789	\$1,035,257	\$20,880	\$13,850,110
WESTERN ATHLETIC	\$1,641,174	\$0	\$987,389	\$1,116,001	\$1,094,448	\$296,943	\$372,966	\$646,461	\$0	\$6,155,382
REVENUE DISTRIBUTION	\$51,970,510	\$164,664,582	\$73,286,123	\$143,347,659	\$48,018,906	\$9,502,176	\$18,175,994	\$66,709,253	\$334,080	\$576,009,283

