



A FOUR-PART SERIES

TRANSFORMING THE NCAA D-I MODEL

SESSION 4

RECOMMENDATIONS FOR CHANGE

Thursday, Dec. 3
1-2pm ET

Session will begin shortly



Carol Cartwright



Arne Duncan



Len Elmore



Jacques McClendon



Peter Roby



Nancy Zimpher



Knight Commission
On Intercollegiate Athletics

FEATURED SPEAKERS
Knight Commission Leadership

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Welcome

Alberto Ibargüen
President,
John S. and James L. Knight Foundation

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Overview for Today's Session

Len Elmore

Attorney, Television Commentator,
Former NBA Player and

Former Men's Basketball Player, University of Maryland

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Knight Commission on Intercollegiate Athletics

Official Reports

KEEPING THE FAITH WITH THE STUDENT-ATHLETE

*A New Model for Intercollegiate
Athletics*
1991

A CALL TO ACTION

*Reconnecting College Sports and
Higher Education*
2001



RESTORING THE BALANCE

Dollars, Values, and the Future of College Sports

2010

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Transforming the NCAA D-I Model

Recommendations for Change

This report is the capstone of our Transforming the NCAA D-I Model Series.
The complete series can be accessed at knightcommission.org.



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Knight Commission Members



Eric Barron
President
Pennsylvania State University

Pam Bernard
VP and General Counsel
Duke University

Carol Cartwright
President Emeritus
Kent State University & Bowling Green State University

Christine Copper
Faculty Athletics Representative and Professor
US Naval Academy

Scott Cowen
President Emeritus
Tulane University

Michael Crow
President
Arizona State University

Arne Duncan
Former US Secretary of Education

Len Elmore
Attorney, TV Commentator, Former NBA Player

Walt Harrison
President Emeritus
University of Hartford

Chris Howard
President
Robert Morris University

Alberto Ibargüen, Ex-officio
President and CEO
John S. and James L. Knight Foundation

Derek Kerr
Executive Vice President and CFO
American Airlines

Shanteona Keys
Manager of Education
Women's Basketball Coaches Association

Penelope W. Kyle
President Emeritus
Radford University

Jonathan Mariner
Former Executive and CFO
Major League Baseball

Jacques McClendon
Director of Player Engagement
LA Rams

Bud Peterson
President Emeritus and Regents Professor
Georgia Institute of Technology

Jill Pilgrim
Principal Owner
Pilgrim & Associates

David Robinson
Co-Founder/Principal, Admiral Capital Group
Former NBA Player

Peter Roby
Former Director of Athletics and Recreation
Northeastern University

Kendall Spencer
Georgetown University Law Graduate, Former
NCAA DI Board Member

Paul Tagliabue
Former NFL Commissioner
Georgetown University Board of Directors

Nancy Zimpher
Chancellor Emeritus
State University of New York

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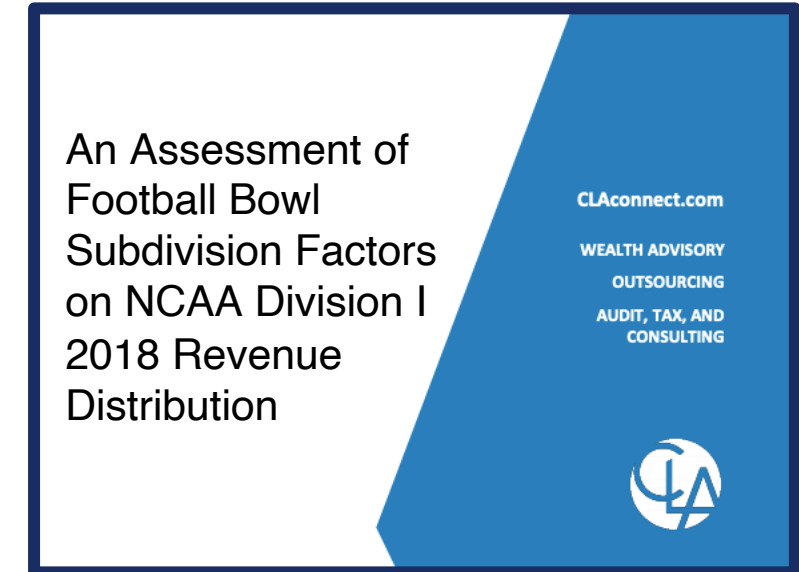


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Knight Commission – 2020 Examination



A FOUR-PART SERIES

TRANSFORMING THE NCAA D-I MODEL

SESSION 1

FOLLOW THE MONEY: BREAKING DOWN D-I FINANCES

Wednesday, September 16 from 1pm - 2pm ET

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Total Expenses: \$8,570,54M

- Support and Admin Compensation: 27.9%
- Athletic Student Aid: 23.6%
- Other Expenses: 20.8%
- Competition Guarantees: 17.2%
- Game Expenses and Travel: 5.4%
- Scholarships and Stipends: 3.8%

Knights Commission On Intercollegiate Athletics

LITERATURE REVIEW OF DIVISION I ATHLETICS REFORM

Prepared for the Knight Commission on Intercollegiate Athletics

www.knightcommission.org

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Nancy Zimpher, PhD



Michael Cross, PhD



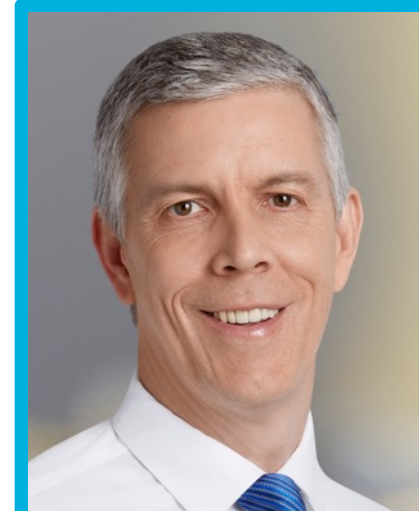
Carol Cartwright, PhD



Peter Roby



Jacques McClendon



Arne Duncan

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Information for Public Attendees

- If you have a question, please click on the Q&A icon on your control panel. You can type a question at any time.
- We will answer questions at the conclusion of our presentation. Please identify your affiliation with your question.
- Today's session is being recorded and will be available on the Knight Commission website tomorrow.

#transformingD1

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Recommendations and Principles

Nancy Zimpher
Chancellor Emeritus,
State University of New York (SUNY)

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The Knight Commission is advancing three major recommendations to transform NCAA Division I by providing principled national athletics governance that prioritizes the education, health, safety, and success of college athletes.

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Knight Commission Recommendation #1

Create a new, separate entity to govern the sport of FBS football

- Completely independent of the NCAA, funded by College Football Playoff revenues
- Governs the sport of football currently operating at the D-I Football Bowl Subdivision (FBS) level
- Conducts all FBS football operations, including its national championship
- Manage all issues related to FBS football athlete education, health, safety, revenue distribution, litigation, eligibility and enforcement

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Knight Commission Recommendation #2

NCAA governs all other D-I sports under reorganized governance system

- NCAA governs and conducts national operations and championships for all D-I sports and for football at the Football Championship Subdivision (FCS) level.
- New governance system should establish equal voting representation for all Division I conferences.
- NCAA Division I Men's Basketball Tournament should be retained in its current structure.
- FBS institutions remain full NCAA Division I members in all sports except football.

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Knight Commission Recommendation #3

National governance entities should adopt 10 principles that will recognize college athletics as a public trust, rooted in the mission of higher education:

1. Prioritize college athletes' education, health, safety and success.
2. Require college athletes to be academically eligible, making satisfactory progress toward a degree.
3. Prohibit "pay for play," but allow institutional support tethered to education. Also allow college athletes to earn compensation similar to other students, including through the use of their NIL.
4. Demonstrate and advance commitments to racial and gender equity.
5. Hold athletics program leadership accountable to advance racial equity and reduce systemic racism in college sports.

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Knight Commission Recommendation #3 (cont'd)

6. Reflect appropriate voting and decision-making power.
7. Hold presidents accountable for leading their athletics programs.
8. Include meaningful representation of college athletes; governed by a majority of independent directors.
9. Control all national aspects of any sport which it administers, including national championships and revenues.
10. Distribution of national revenues should advance educational missions and educational opportunities for athletes.

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Recommendations for Change



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The Rationale for Change

Michael Cross,
Project Manager,
Knight Commission Division I Survey

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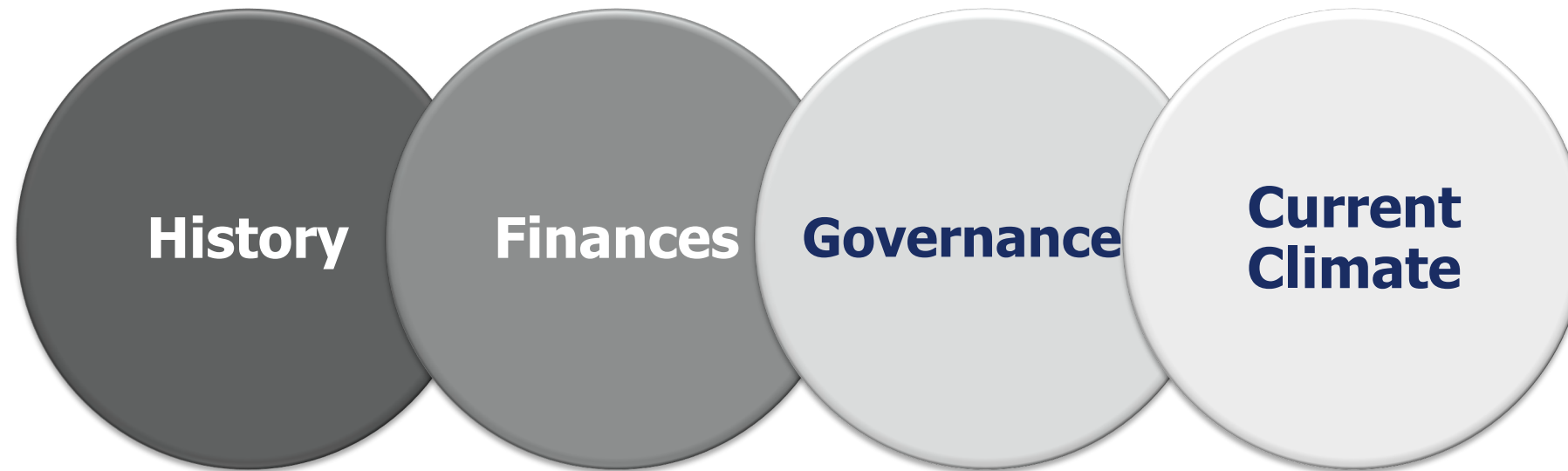


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The Rationale for Change



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Current Structure



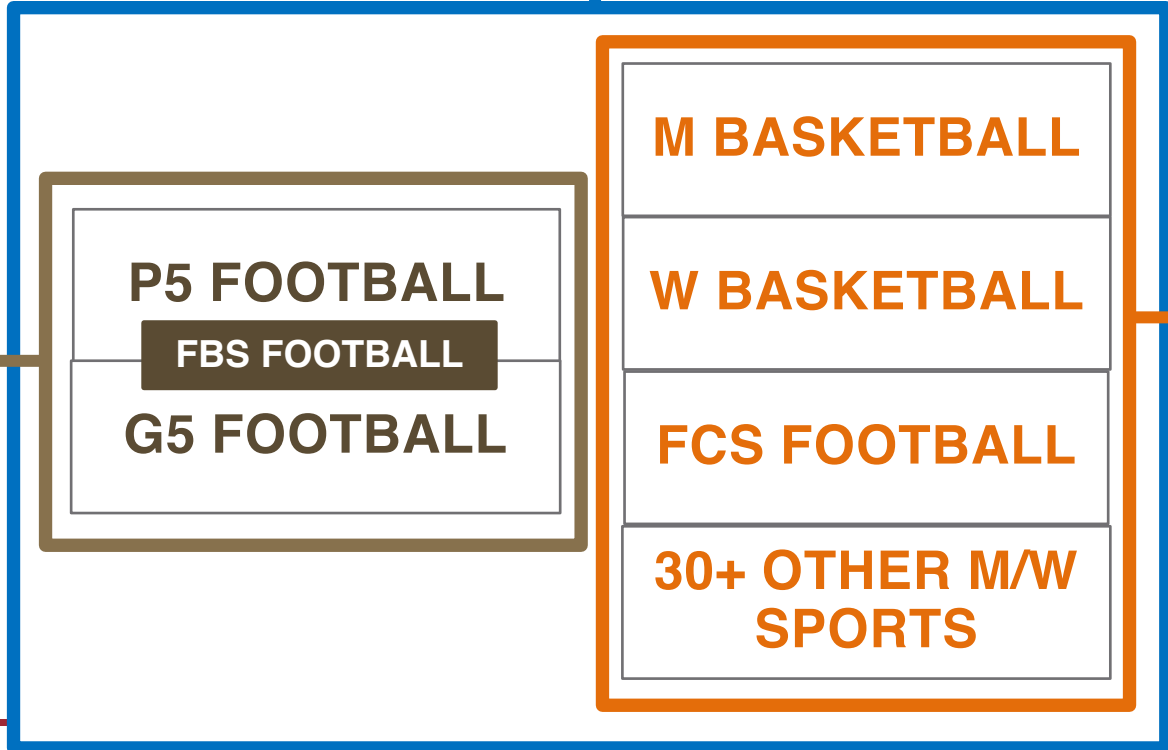
COLLEGE FOOTBALL
PLAYOFF

- Governs FBS football national championship
- Distributes CFP revenue to 130 DI FBS Schools

- Oversees regulatory functions for all sports
- Distributes March Madness revenue to Division I schools



- Governs national championships
- Revenue primarily from March Madness



College Football Playoff is a registered trademark of BCS Properties LLC



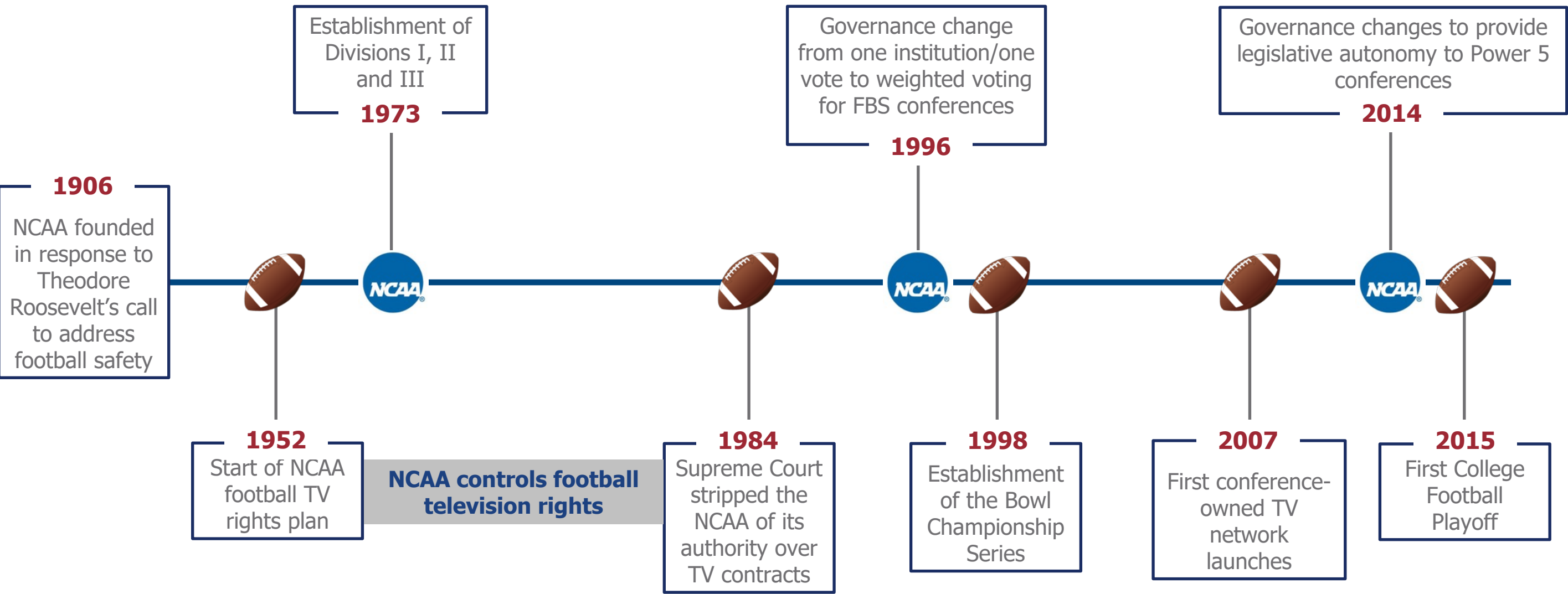
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Evolution of FBS Football and Governance



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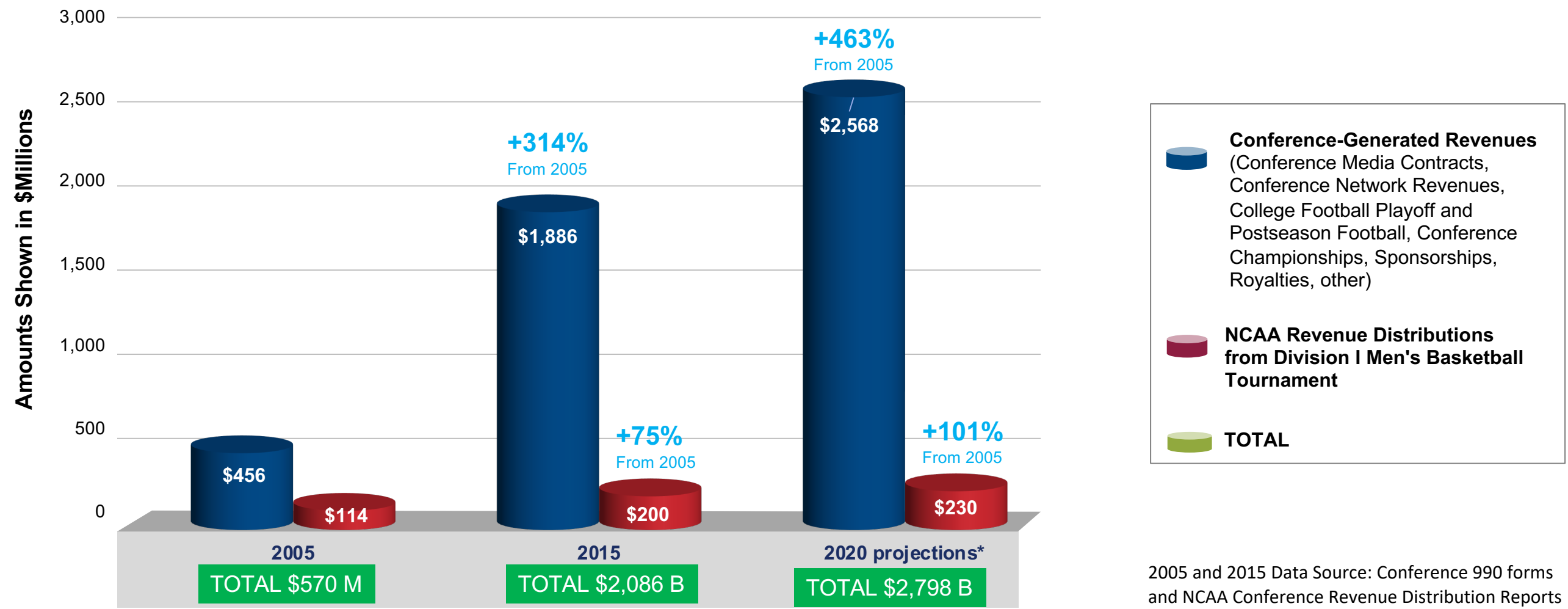
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How the Money Has Changed

Exponential Growth for "Power 5" Conferences

Revenues from only Two Major Sources for "Power 5" Conferences (ACC, Big 10, Big 12, PAC-12, SEC)



Presented to Knight Commission, May 2016

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Impact of Revenue Disparities and Soaring Spending

- **Revenue disparities**

- DI budget range: \$ 4 million to \$220 million in 2019
- 130 FBS programs budgets disparity: \$16 million to \$220 million

- **Soaring spending**

- Athletics expenses have outpaced “generated” revenues, particularly in FBS
- Spending trends for Power 5 demonstrate disproportionate increases in football coaching salaries, administrative staff and facilities expenditures (debt service).

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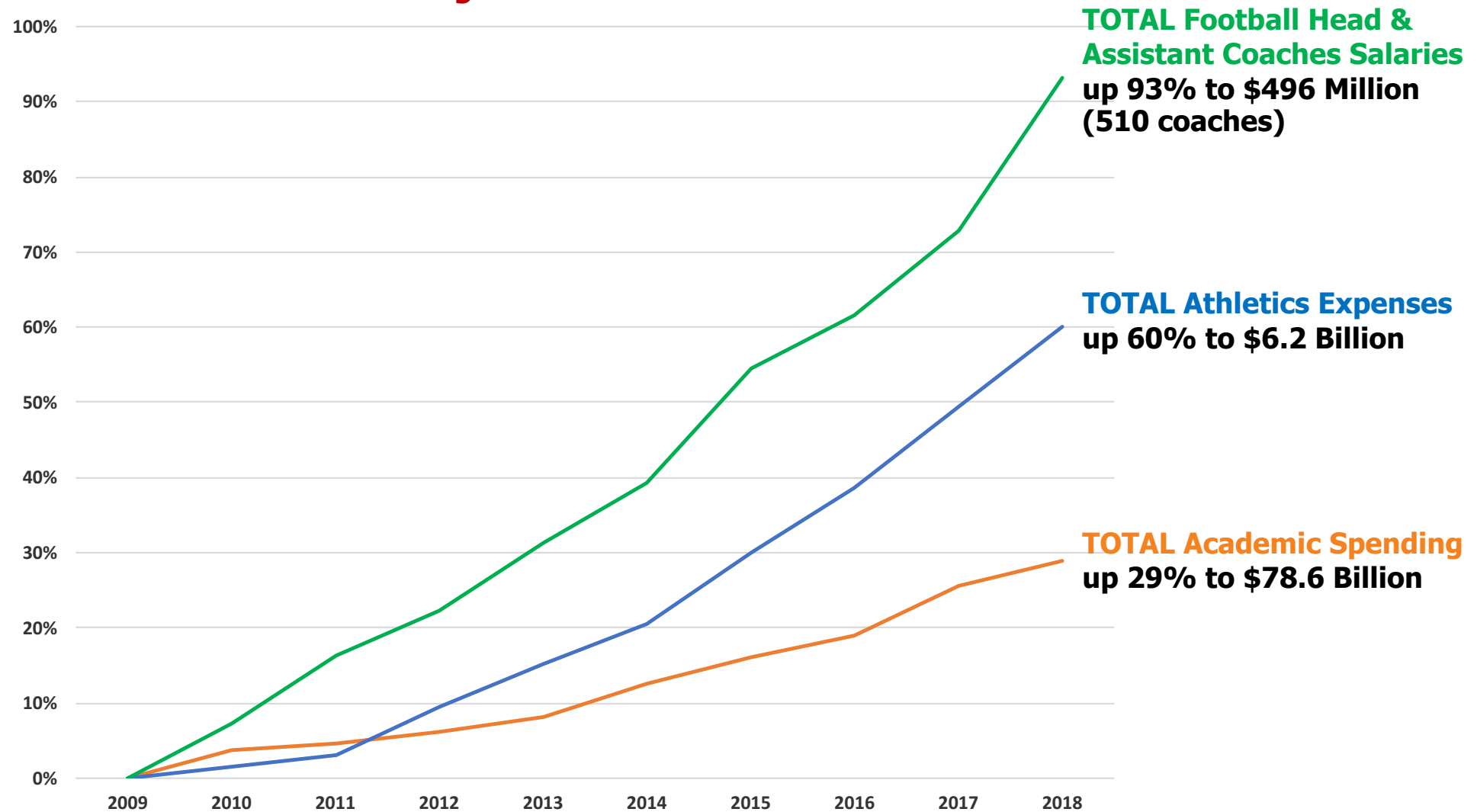


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Change in Growth of Athletics and Academic Expenses 51 POWER 5 Public Institutions, 2009-2018 Adjusted for Inflation



TOTAL Football Head & Assistant Coaches Salaries
up 93% to \$496 Million
(510 coaches)

TOTAL Athletics Expenses
up 60% to \$6.2 Billion

TOTAL Academic Spending
up 29% to \$78.6 Billion

Sources: CAFI Database (2020), <http://cafidatabase.knightcommission.org/reports/f649f72d>
EADA Database, US Dept. of Education (2019)

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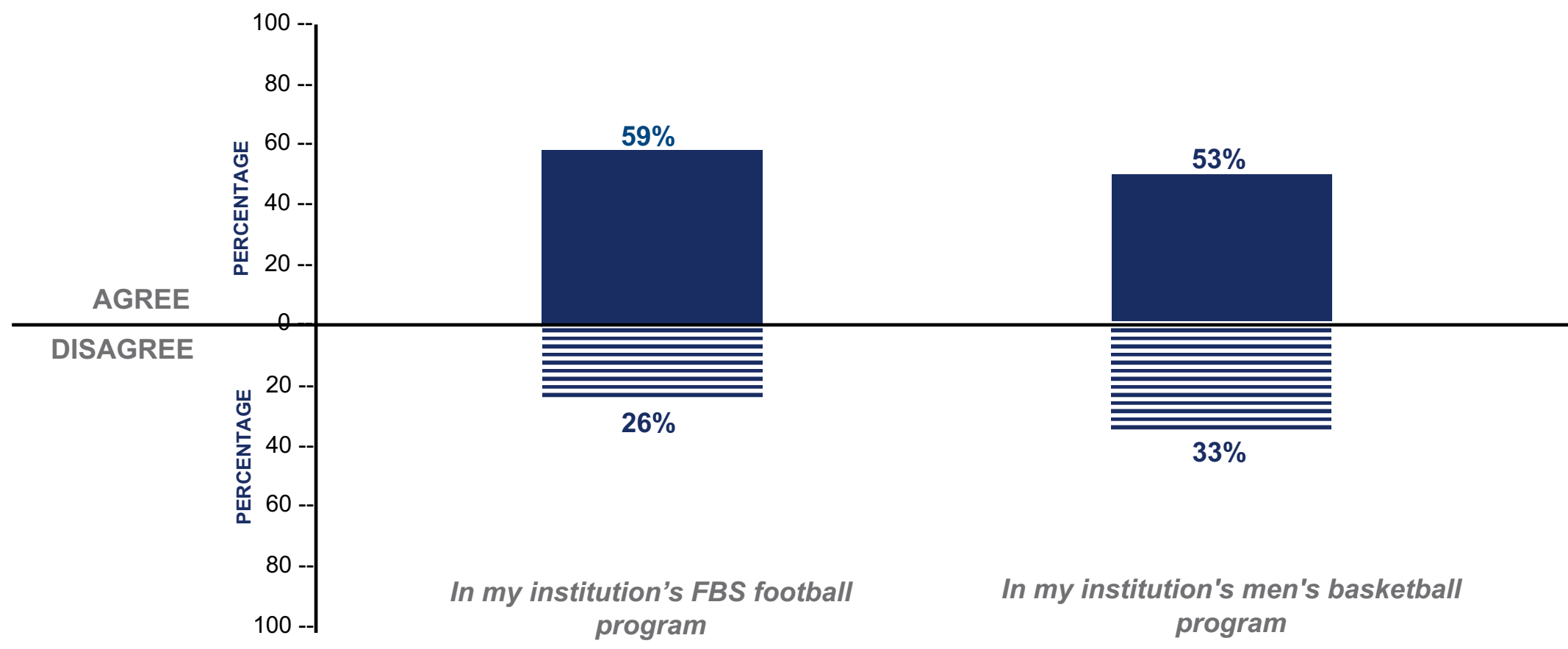
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Survey Finding: Overspending to Keep Up

"We spend more than we should to keep up with higher-resourced schools..."



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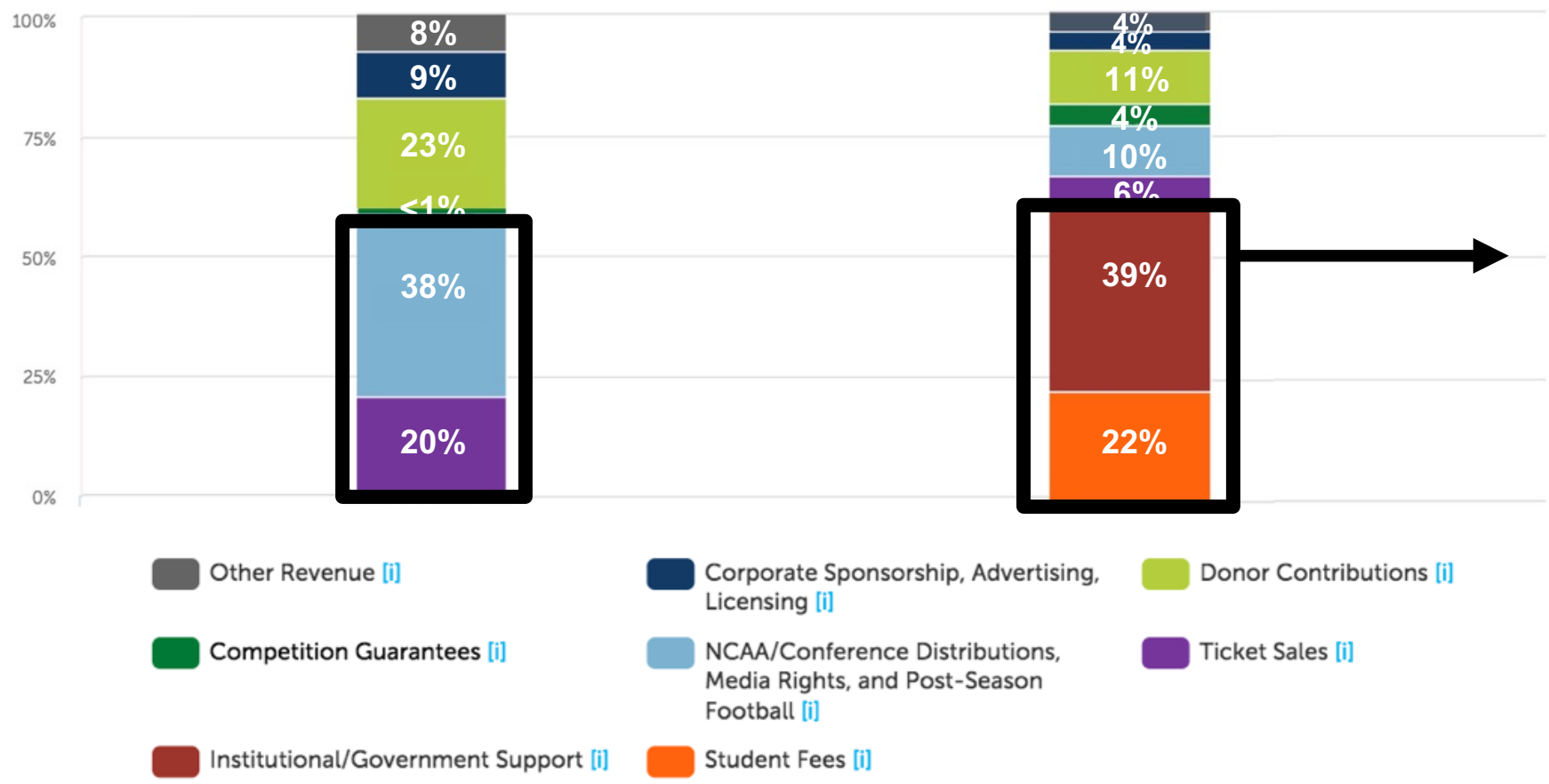
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NCAA Division I-FBS ALL Public Institutions: Percentage of Budget from Revenue Sources, 2018

"Power 5" Conference members
(ACC, Big 10, Big 12, SEC, PAC-12)

"Group of 5" Conference members
(AAC, C-USA, MWC, MAC, Sun Belt)



DI Survey:
63% of "Group of 5" survey respondents are concerned that these internal allocations are greater than should be.

Amounts reflect current dollars.

Source: CAFI Database

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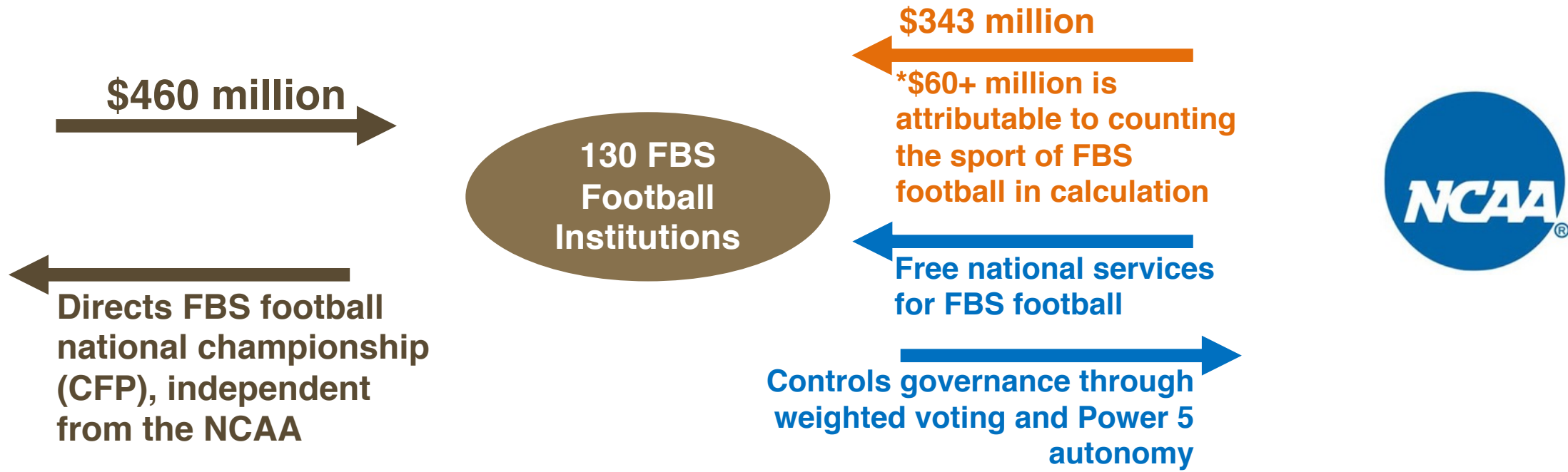


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FBS Football Institutions' Relationship with the College Football Playoff and the NCAA



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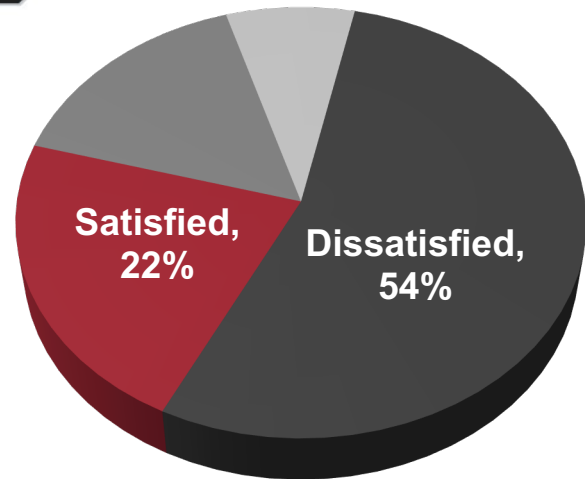
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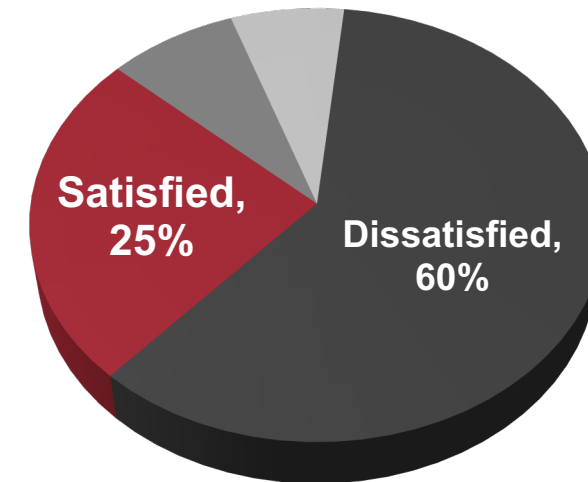
Survey Finding: Dissatisfaction with NCAA and College Football Playoff (CFP) Revenue Distribution



NCAA revenue distribution:
Only 22% of ALL respondents are satisfied.



CFP revenue distribution:
Only 25% of ALL respondents are satisfied.



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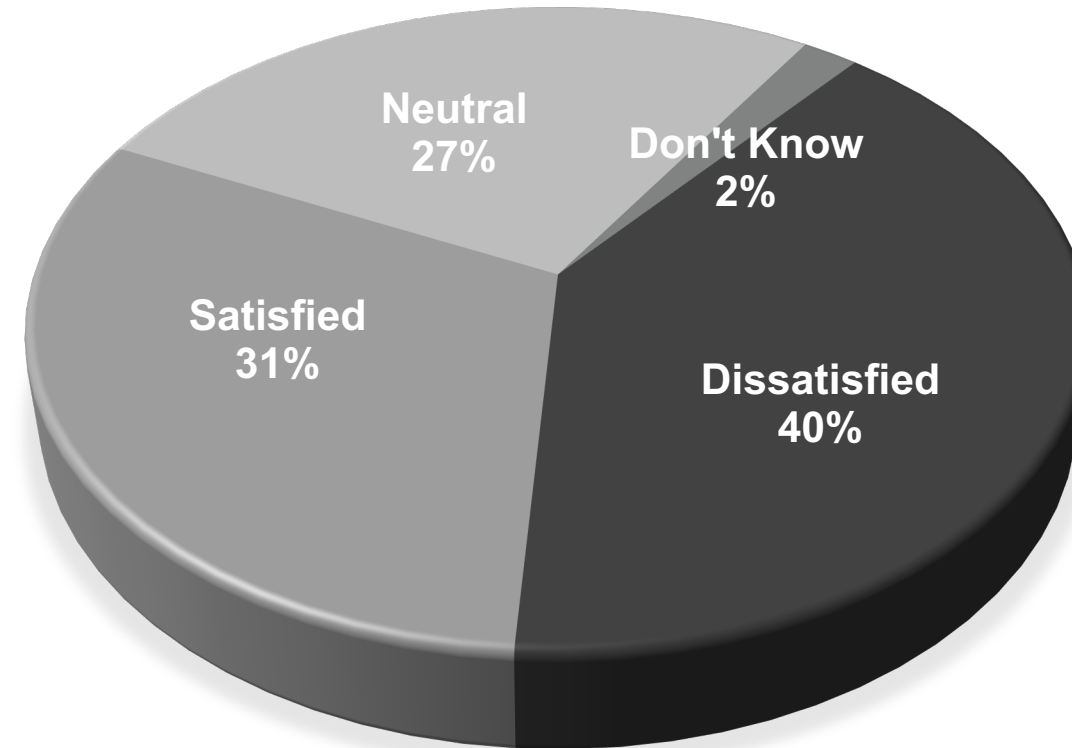


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Survey Finding: Dissatisfaction with Current NCAA Division I Governance



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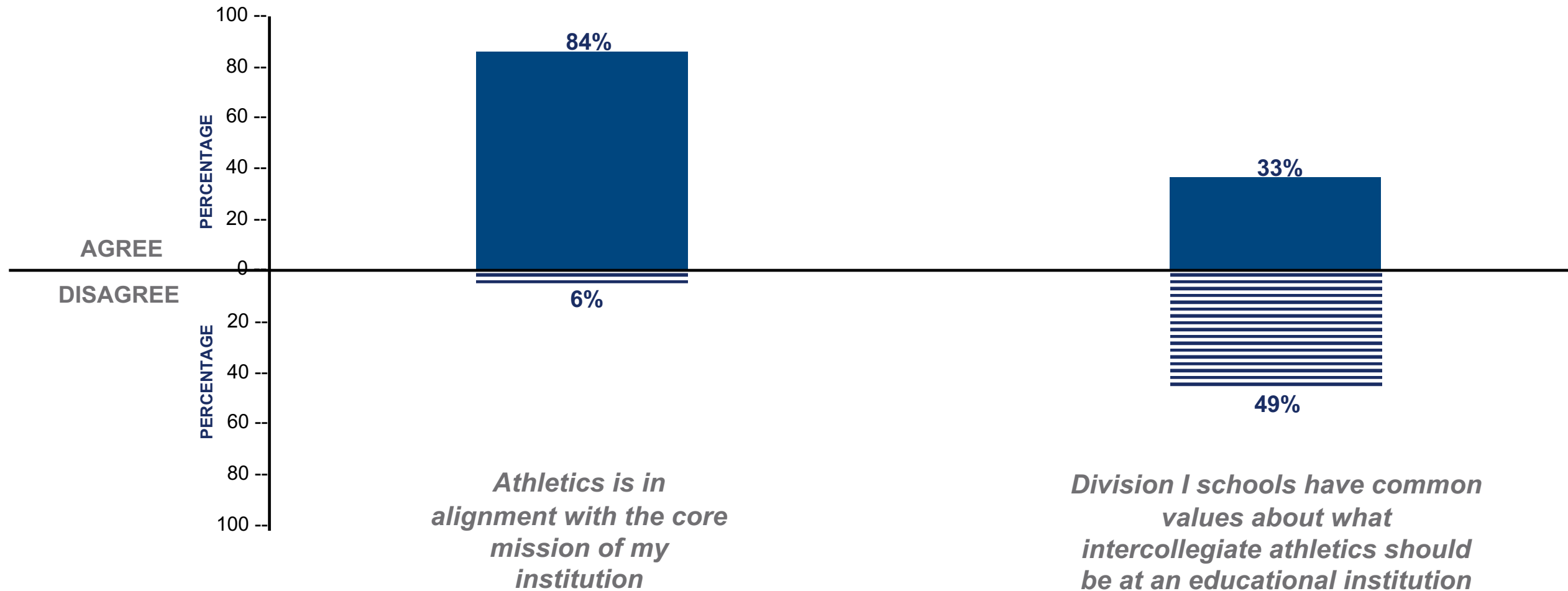
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Survey Finding: Absence of Common Values



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The NCAA's three divisions were created in 1973 to align like-minded campuses in the areas of philosophy, competition and opportunity.

DIVISION I

DIVISION II

DIVISION III

Source: ncaa.org

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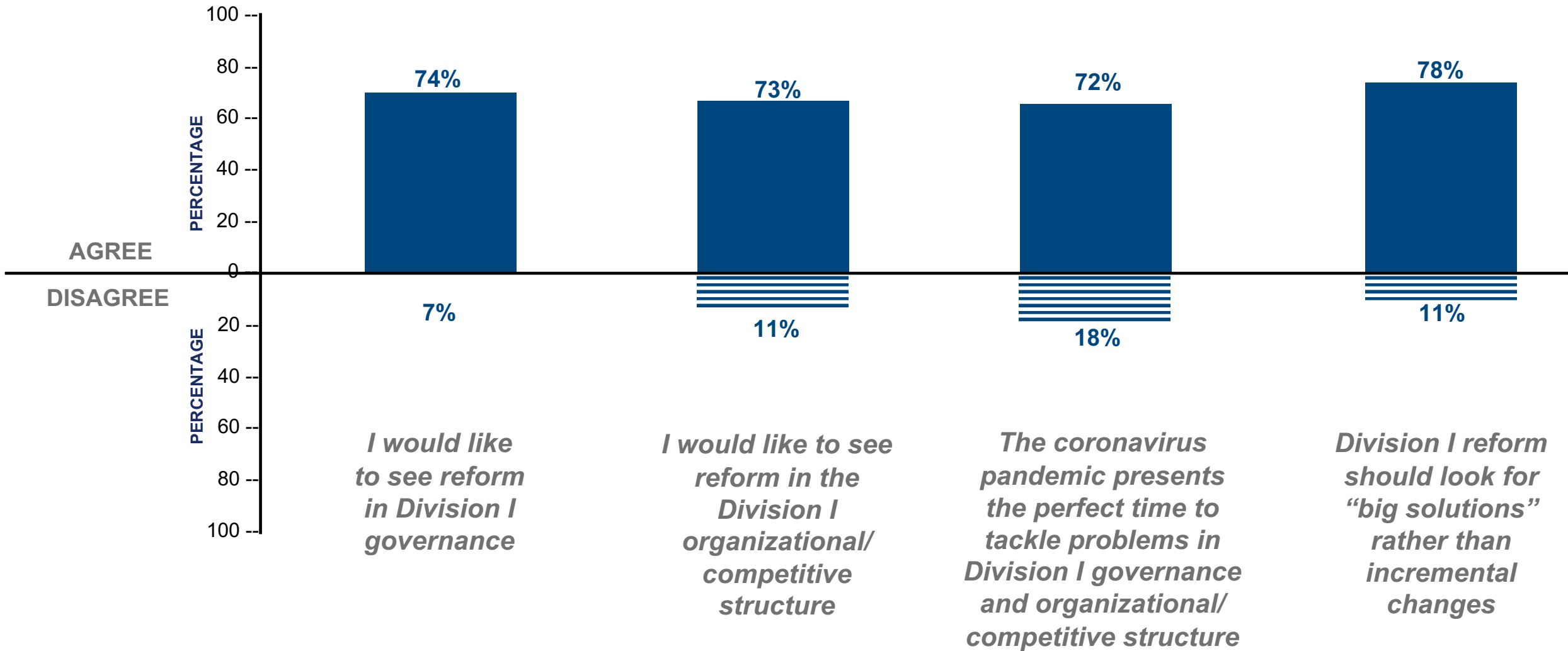


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Survey Finding: Time for “Big Solutions”



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The Rationale for Change



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Key Issues and Implications

Carol Cartwright
President Emeritus,
Kent State University and
Bowling Green State University

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Recommended Model

NATIONAL COLLEGE FOOTBALL ASSOCIATION

- Governs NCFA (FBS football) competition
- Generates revenue from CFP media contract

- Distributes revenue to NCFA schools
- Oversees regulatory functions, including enforcement, eligibility and athlete safety
- Responsibility/liability for rules

FOOTBALL PROGRAMS THAT MEET NCFA MEMBERSHIP CRITERIA



- Governs competition and national championships in all sports other than NCFA (FBS football).
- Generates revenue primarily from March Madness media contract

- Distributes revenue to Division I schools (Formula excludes football factors for NCFA members)
- Oversees regulatory functions, including enforcement, eligibility and athlete safety
- Responsibility/liability for rules

DIVISION I (FCS) FOOTBALL*

M BASKETBALL

30+ M/W SPORTS

W BASKETBALL

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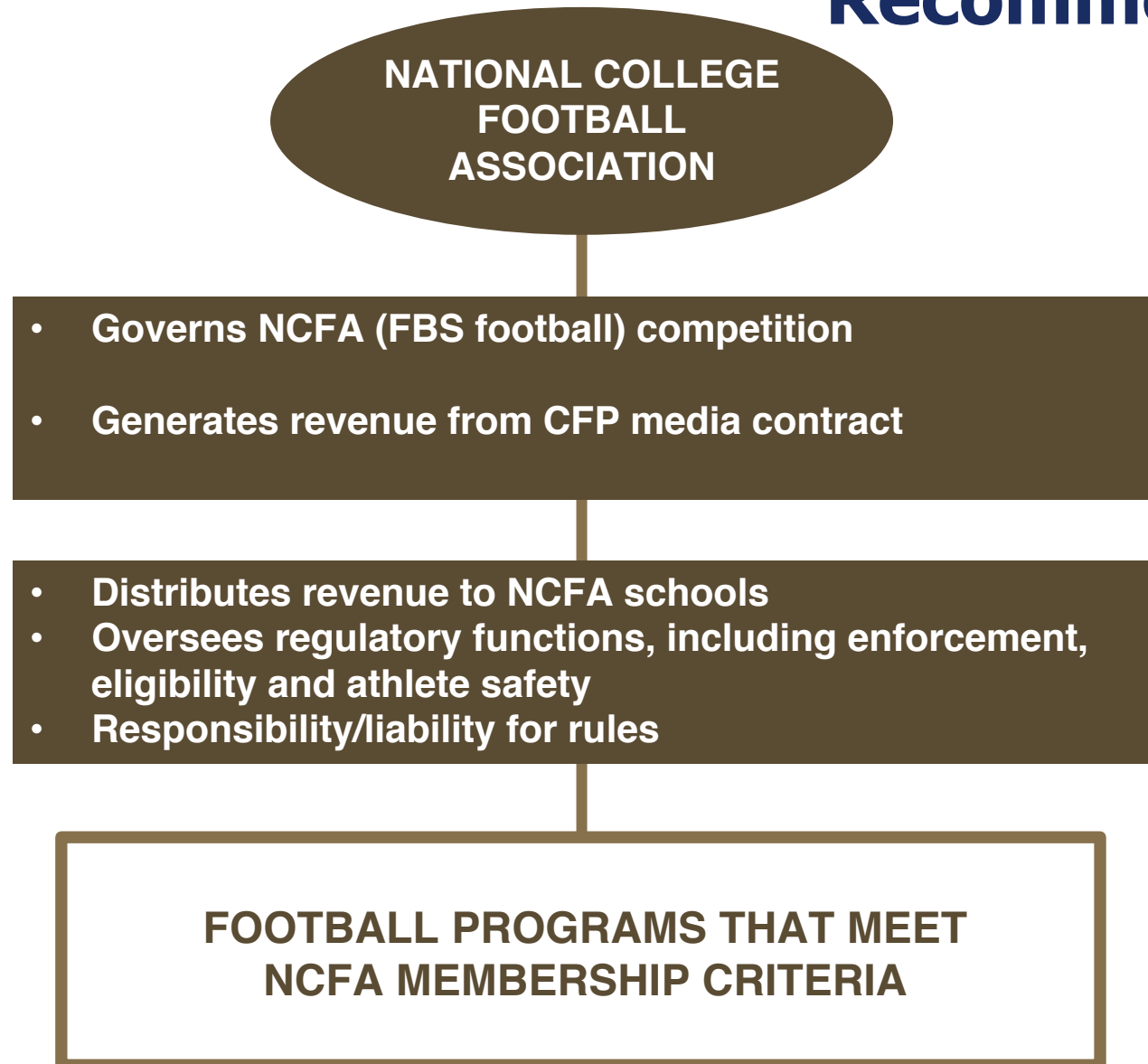
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Recommended Model



Benefits:

- Governance is unified to more effectively shape the future of the sport
- Conducts both its championship and its administration
- Clear public accountability – currently no single entity is responsible for all aspects of FBS football
- Gives FBS football programs a “reset” opportunity as to whether they compete at the new NCFA level or remain with the NCAA for football

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Recommended Model

Benefits:

- Governance restructured to provide more equitable voting power and representation
- Better able to focus on the sport that provides revenues for all its operations
- Eliminates the distorting effect of FBS Football on the NCAA budget and its DI revenue distribution
 - removes the sport of FBS football from NCAA revenue distribution
 - no longer will incur national operating expenses in support of FBS Football
 - no longer will incur legal liabilities relating to FBS Football
- Tens of millions of dollars available for schools through potential new values-based distribution



- **Governs competition and national championships in all sports other than NCFA (FBS football).**
- **Generates revenue primarily from March Madness media contract**

- **Distributes revenue to Division I schools (Formula excludes football factors for NCFA members)**
- **Oversees regulatory functions, including enforcement, eligibility and athlete safety**
- **Responsibility/liability for rules**

DIVISION I (FCS) FOOTBALL*	M BASKETBALL
30+ M/W SPORTS	W BASKETBALL

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Combined Benefits

NATIONAL COLLEGE
FOOTBALL
ASSOCIATION



- Independent unified governance structure for the sports they each oversee; replaces current fragmented system
- More than 185,000 D-I athletes; 8% play FBS football
- Principled and better-focused administration
- Essential first step for tailored solutions to address unique needs of each structure and the college athletes they serve

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Takeaways from an AD Perspective

Peter Roby

Former Director of Athletics and Recreation
Northeastern University

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Top Questions from Athletics Directors

1. How will the change impact the structure of athletics on campus?
2. How would this affect Title IX?
3. What are the benefits from a management standpoint?
4. What are the financial implications for athletics directors?

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Takeaways from a College Athlete Perspective

Jacques McClendon

Director of Player Engagement, Los Angeles Rams
Former College Football Player, University of Tennessee

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Benefits of the Recommended Model

- Better serve college football players through unified entity
- Should include representation and voting power for college football athletes
- Athletes' voices and representation matter
- Representation should increase for Black college athletes, who make up more than half of all FBS players

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Recommended Next Steps

1. Knight Commission will convene an FBS presidential summit to consider these recommendations and the creation of an independent special task force to develop the “National College Football Association”
2. NCAA should immediately implement the Knight Commission proposed revenue-distribution changes
3. CFP should immediately implement Knight Commission proposed changes to its revenue distribution
4. NCAA governance changes to provide equal representation centered around basketball, not football

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Concluding Thoughts

Arne Duncan
Co-Chair,
Knight Commission on Intercollegiate Athletics

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The Time is Right for Transformative Change

- Governance reform is urgent, not a wish list.
- Address overspending and reduction in opportunities.
- Upcoming media contracts and a new CFP contract threaten to widen financial inequities.
- Must improve accountability for prioritizing athlete education, health, safety and success.
- If implemented, the Knight Commission governance recommendations would represent a huge leap forward for Division I sports.

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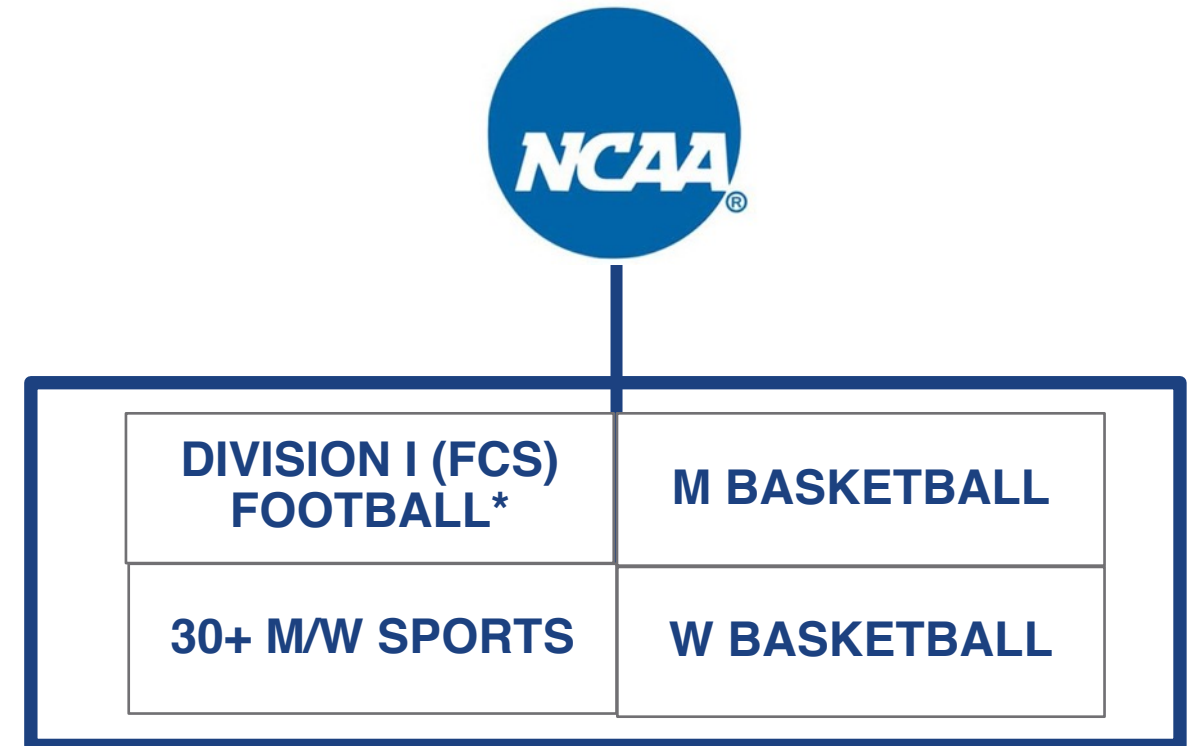


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Recommended Model



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Recommendations for Change



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INSTRUCTIONS FOR Q&A

- Available for your questions: Carol Cartwright, Nancy Zimpher, Len Elmore, Peter Roby, Jacques McClendon, Arne Duncan, Amy Perko.
- If you have a question, please click on the Q&A icon on your control panel.
- Please identify your affiliation and also identify the presenter to whom the question is directed.

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TRANSFORMING THE NCAA D-I MODEL

SESSION 1

9/16

FOLLOW THE MONEY: BREAKING
DOWN D-I FINANCES

SESSION 3

10/13

WHAT D-I LEADERS THINK: NEW
SURVEY FINDINGS ABOUT REFORM

SESSION 2

9/30

A NEW ANALYSIS OF THE D-I REVENUE
DISTRIBUTION FORMULA INEQUITIES

SESSION 4

12/3

RECOMMENDATIONS FOR CHANGE

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Media inquiries: Contact Fred Frommer
fred.frommer@deweysquare.com

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