SESSION 4
RECOMMENDATIONS FOR CHANGE
Thursday, Dec. 3
1-2pm ET
Session will begin shortly

Join the conversation
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Welcome
Alberto Ibargüen
President,
John S. and James L. Knight Foundation
Overview for Today’s Session

Len Elmore
Attorney, Television Commentator, Former NBA Player and Former Men’s Basketball Player, University of Maryland
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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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 Cooper**  
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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LITERATURE REVIEW OF DIVISION I ATHLETICS REFORM

Prepared for the Knight Commission on Intercollegiate Athletics

www.knightcommission.org
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
Recommendations and Principles

Nancy Zimpher
Chancellor Emeritus,
State University of New York (SUNY)
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.
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
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.
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.
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.
A FOUR-PART SERIES

TRANSFORMING THE NCAA D-I MODEL

Recommendations for Change

www.knightcommission.org
The Rationale for Change

Michael Cross,
Project Manager,
Knight Commission Division I Survey
The Rationale for Change

History

Finances

Governance

Current Climate
Current Structure

- Governs national championships
- Revenue primarily from March Madness

Current Structure

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

NCAA

College Football Playoff

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

P5 FOOTBALL

- FBS FOOTBALL
- G5 FOOTBALL

M BASKETBALL

W BASKETBALL

FCS FOOTBALL

30+ OTHER M/W SPORTS

College Football Playoff is a registered trademark of BCS Properties LLC
Evolution of FBS Football and Governance

1906
NCAA founded in response to Theodore Roosevelt’s call to address football safety

1952
Start of NCAA football TV rights plan

1973
Establishment of Divisions I, II and III

1984
Supreme Court stripped the NCAA of its authority over TV contracts

1996
Governance change from one institution/one vote to weighted voting for FBS conferences

1998
Establishment of the Bowl Championship Series

2007
First conference-owned TV network launches

2014
Governance changes to provide legislative autonomy to Power 5 conferences

2015
First College Football Playoff

NCAA controls football television rights
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)

Amounts Shown in $Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Conference-Generated Revenues</th>
<th>NCAA Revenue Distributions from Division I Men’s Basketball Tournament</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$456</td>
<td>$570 M</td>
</tr>
<tr>
<td>2015</td>
<td>$1,886 ($456) + $1,430</td>
<td>$2,086 B</td>
</tr>
<tr>
<td>2020</td>
<td>$2,568 ($1,886) + $682</td>
<td>$2,798 B</td>
</tr>
</tbody>
</table>

+314% From 2005
+75% From 2005
+101% From 2005

2005 and 2015 Data Source: Conference 990 forms and NCAA Conference Revenue Distribution Reports

Presented to Knight Commission, May 2016
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).
Change in Growth of Athletics and Academic Expenses
51 POWER 5 Public Institutions, 2009-2018
Adjusted for Inflation

Sources: CAFI Database (2020),
http://cafidatabase.knightcommission.org/reports/f649f72d
Survey Finding: Overspending to Keep Up

“We spend more than we should to keep up with higher-resourced schools…”

Survey Finding: Overspending to Keep Up

Finances

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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)

- 8%
- 9%
- 23%
- <1%
- 38%
- 20%

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

- 4%
- 11%
- 4%
- 10%
- 6%
- 39%
- 22%

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

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Source: CAFI Database
FBS Football Institutions’ Relationship with the College Football Playoff and the NCAA

130 FBS Football Institutions

$343 million
*$60+ million is attributable to counting the sport of FBS football in calculation

Free national services for FBS football

Controls governance through weighted voting and Power 5 autonomy

Directs FBS football national championship (CFP), independent from the NCAA

$460 million

History

Finances

Governance
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.
Survey Finding: Dissatisfaction with Current NCAA Division I Governance

- Satisfied: 31%
- Neutral: 27%
- Dissatisfied: 40%
- Don't Know: 2%
Survey Finding: Absence of Common Values

Athletics is in alignment with the core mission of my institution

Division I schools have common values about what intercollegiate athletics should be at an educational institution
The NCAA's three divisions were created in 1973 to align like-minded campuses in the areas of philosophy, competition and opportunity.
Survey Finding: Time for “Big Solutions”

I would like to see reform in Division I governance
I would like to see reform in the Division I organizational/competitive structure
The coronavirus pandemic presents the perfect time to tackle problems in Division I governance and organizational/competitive structure
Division I reform should look for “big solutions” rather than incremental changes
The Rationale for Change

- **History**: Avoids history of incremental changes that have contributed to the current state.
- **Finances**: Evaluation and alignment of revenue distributions and financial models.
- **Governance**: Restore faith in the governance of both the NCAA and FBS Football.
- **Current Climate**: Provides “big solutions” that D-I leaders are seeking.

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Key Issues and Implications

Carol Cartwright
President Emeritus,
Kent State University and
Bowling Green State University
DIVISION I (FCS) FOOTBALL*

M BASKETBALL

30+ M/W SPORTS

W BASKETBALL

FOOTBALL PROGRAMS THAT MEET NCFA MEMBERSHIP CRITERIA

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

NATIONAL COLLEGE FOOTBALL ASSOCIATION

• 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
Recommended Model

NATIONAL COLLEGE FOOTBALL ASSOCIATION

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

FOOTBALL PROGRAMS THAT MEET NCFA MEMBERSHIP CRITERIA

- Governs NCFA (FBS football) competition
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- Responsibility/liability for rules
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
  o removes the sport of FBS football from NCAA revenue distribution
  o no longer will incur national operating expenses in support of FBS Football
  o no longer will incur legal liabilities relating to FBS Football
• Tens of millions of dollars available for schools through potential new values-based distribution

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

• Governs competition and national championships in all sports other than NCFA (FBS football).
• Generates revenue primarily from March Madness media contract
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• Responsibility/liability for rules
Combined Benefits

- 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
Takeaways from an AD Perspective

Peter Roby
Former Director of Athletics and Recreation
Northeastern University
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?
Takeaways from a College Athlete Perspective

Jacques McClendon
Director of Player Engagement, Los Angeles Rams
Former College Football Player, University of Tennessee
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
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
Concluding Thoughts

Arne Duncan
Co-Chair,
Knight Commission on Intercollegiate Athletics
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.
NATIONAL COLLEGE FOOTBALL ASSOCIATION

FOOTBALL PROGRAMS THAT MEET NCFA MEMBERSHIP CRITERIA

DIVISION I (FCS) FOOTBALL*
M BASKETBALL
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TRANSFORMING THE NCAA D-I MODEL

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.
### A Four-Part Series: Transforming the NCAA D-I Model

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Thank you for attending.

For more information, visit us at www.knightcommission.org

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fred.frommer@deweysquare.com