



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.**

This report was released on Dec. 4, 2020 and updated on Feb. 22, 2021.



Knight Commission
On Intercollegiate Athletics



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Updated February 2021

All of the research produced and data analyzed as part of
this examination can be viewed on the Knight Commission's
["Transforming the NCAA D-I Model" webpage.](#)

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Executive Summary

The Knight Commission on Intercollegiate Athletics conducted a 12-month review of the NCAA Division I model and concluded that it is time for transformational change. This report sets forth four major recommendations to transform NCAA Division I by providing principled national athletics governance and a revenue distribution system that prioritizes the education, health, safety, and success of college athletes:

The first recommendation addresses the NCAA's revenue distributions from the March Madness tournament and can be implemented immediately under the current governance structure:

- » The NCAA should eliminate the exemption that allows the sport of FBS football to count in the NCAA's revenue distribution, because it does not meet the qualifying criterion — namely, that the NCAA operate the sport's postseason championship. The sport of FBS football no longer would be part of the NCAA's formula for calculating its March Madness revenue distribution, a change that would appropriately reflect the College Football Playoff's financial independence from the NCAA. However, FBS schools would still receive significant distributions from the NCAA, based on non-FBS football factors in the formula.

On [October 26, 2020, the Knight Commission sent a letter](#) to NCAA President Mark Emmert requesting this recommendation be considered by the NCAA Board of Governors and the Division I Board of Directors.

Knicht Commission NCAA Revenue Distribution Formula Recommendation

The NCAA revenue distribution formula should count **ONLY** sports for which the NCAA operates a post-season championship and controls revenues associated with that championship consistent with its guidelines.

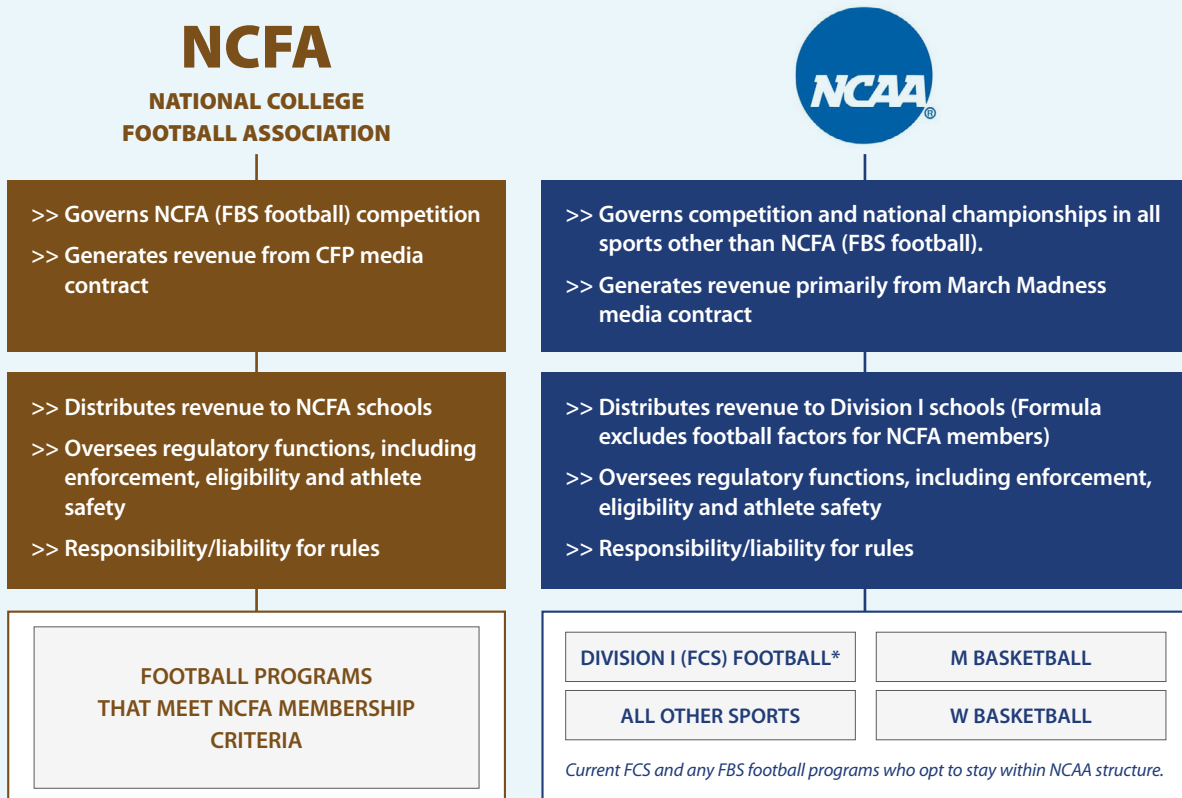
RESULT: The sport of FBS football no longer would receive its current exemption to count in the NCAA's revenue distribution formula and the CFP's independence would be appropriately reflected.

This report lays out the Commission's case for transformational change and provides a series of recommendations to significantly reform the governance of Division I college sports. The Commission's three core governance recommendations are:

- » Create a new entity, completely independent of the NCAA and funded by the College Football Playoff revenues, to govern the sport of football in the Football Bowl Subdivision (FBS). The new governing entity would oversee all FBS football operations, including its national championship, and manage all issues related to FBS football athlete education, health, safety, revenue distribution, litigation, eligibility, and enforcement.

- » The NCAA should govern and conduct national operations and championships under a reorganized governance system for all Division I sports, including football at the Football Championship Subdivision (FCS) level, but excluding what is now FBS football. This new system should establish equal voting representation for all Division I conferences and the NCAA Division I Basketball Tournaments should retain their current structures, open to all Division I schools. NCAA Division I should retain its current membership of institutions and conferences with athletics programs classified in the FBS for all sports except football, FCS programs including football, and Division I schools that do not offer football. Governance and oversight of football in NCAA Divisions II and III should remain unchanged.
- » The NCAA and the new FBS football entity should adopt governing principles, such as those articulated by the Commission in this report, to maintain college athletics as a public trust, rooted in the mission of higher education. Those principles must prioritize college athletes' education, health, safety, and success in the operation of intercollegiate athletics. Regardless of the sport or governance entity, college presidents and chancellors should be responsible and accountable for the conduct of all intercollegiate athletics programs at their institutions.

Knicht Commission Governance and Structure Recommendation



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Letter of Transmittal

December 3, 2020

Alberto Ibarгүйen
President and Chief Executive Officer
John S. and James L. Knight Foundation
200 South Biscayne Blvd., Suite 3300
Miami, FL 33131

Dear Mr. Ibarгүйen:

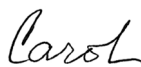
The Knight Commission on Intercollegiate Athletics has a three-decade history of leading major reforms in intercollegiate athletics on a wide range of issues: boosting academic success among college athletes, aligning revenue distributions with educational values, bolstering athletics programs' financial integrity and transparency, and advancing presidential leadership for institutional, conference, and national governance.

This report, "Transforming the NCAA D-I Model," recommends transformational change in the governance and accountability of the National Collegiate Athletic Association (NCAA), especially in Division I and in its Football Bowl Subdivision (FBS). After a year-long review, the Commission has concluded that new governance structures and principles that better prioritize the education, health, safety, and success of college athletes are needed and would support a healthier alignment of college sports spending with educational values.

In our December 16, 2019 [letter](#) to NCAA President Mark Emmert launching our year-long review, we celebrated the substantial progress over the past three decades in college sports, as evidenced by rising and record-high graduation rates of college athletes. Nonetheless, it is clear, even prior to the turmoil created by the COVID-19 pandemic, that NCAA member institutions, conferences, and college athletes face serious challenges in the highly commercialized environment of FBS football and some other NCAA Division I sports, particularly men's basketball.

Building on the Commission's long history of independent research and deliberations, our re-examination of Division I sports included releasing a [set of principles](#) to guide new rules for college athletes to earn compensation for the use of their name, image and likeness; conducting a major [survey](#) of Division I presidents and college sports leaders; assessing a [literature review](#) of athletics reform proposals made by national scholars and other organizations; commissioning a first-of-its kind [analysis](#) of the NCAA's revenue distribution formula; and [evaluating and updating extensive](#) Division I college sports financial data.

We express our deep gratitude for the continuing support the Knight Foundation has provided to our efforts. We believe that the reforms set forth in this report will provide more effective and principled governance to protect intercollegiate athletics as a public trust and better serve college athletes, universities, and college sports as a whole.



Carol Cartwright
Co-Chair



Arne Duncan
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Introduction

Almost 500,000 college students participate in intercollegiate athletics every year, garnering the attention of hundreds of millions of Americans and people around the globe. The institutions in Division I of the National Collegiate Athletic Association (NCAA) offer elite competitive opportunities to more than 185,000 college athletes. Yet the public perception of the entire college sports landscape is heavily shaped by the highest profile sports in Division I, Football Bowl Subdivision (FBS) football and men’s basketball. During the last three decades, enormous shifts have both transformed and elevated the visibility, influence, and revenue generated by FBS football and Division I basketball, creating serious challenges to effective national governance, athletics program spending, and organizational structures that directly affect competition and athletes’ experiences.

The Knight Commission believes Division I’s governance and organizational structures have failed to evolve with the transformation of FBS football and Division I men’s basketball and do not respond rapidly or effectively to the issues facing college sports. The Commission believes NCAA Division I governance requires not just tinkering but a transformation to ensure fair and values-based treatment of students who are college athletes and to prioritize their education, health, safety, and success. To safeguard and expand athletic and educational opportunities, the NCAA and Division I member institutions need to better align athletic program spending with educational goals and hold college presidents and athletic program leaders accountable for meeting those goals, both for the sake of institutions and for athletes themselves.

The Case for Change

In 1973, the NCAA restructured from a “College Division” and “University Division” into its existing three Divisions—Divisions I, II and III in order to “align like-minded campuses in the areas of philosophy, competition and opportunity.”¹ Subsequently, Division I evolved into three distinct subdivisions, now known as FBS, the Football Championship Subdivision (FCS), and Division I programs that are basketball-centric and do not offer football.

The Commission believes this tripartite organizational structure no longer provides effective governance or accountability in Division I sports, most notably because of the oversized impact of FBS football. This report offers recommendations to reform and better align athletics governance with the changes that have reshaped college sports.

Evolution of College Football and the NCAA

College football has a unique history and relationship with the NCAA. Injuries and deaths from college football prompted the NCAA’s founding in 1906. The year before, after nearly 20 players died and 149 players suffered serious injuries playing college football, President Theodore Roosevelt demanded that college leaders either make the sport safer or abolish it. In response, university presidents formed the first-ever national college sports association, the progenitor of today’s NCAA.

Over the course of the NCAA’s 114 years, its history is marked by a slow but persistent pattern of major college football programs seeking greater autonomy from NCAA control. Football programs sought and won control of television rights, football postseason championships and events, revenue distributions, and general regulations (see NCAA timeline in Appendix 2 for more details).

Notably, the NCAA has never operated a national championship for college football at the most competitive level, even though operating national championships for all other sports is a core function of the NCAA and is a requirement for all other sports to be considered “NCAA sports.”

A fourteen-year span from 1984 to 1998 set in motion both an evolution of the FBS football postseason and an NCAA governance reorganization—elevating the independence and decision-making authority of schools with FBS football to effectively manage all of Division I college sports.

The modern era for FBS football began with the 1984 U. S. Supreme Court decision in the landmark antitrust case *NCAA v. Board of Regents of University of Oklahoma*, which stripped the NCAA of its

¹ *Our Three Divisions*. (2020, Feb. 10). Retrieved from <http://www.ncaa.org/about/resources/media-center/ncaa-101/our-three-divisions>.

control over television rights for regular-season football games. That decision opened the door for lucrative conference-driven media deals that reshaped competitive alliances for FBS college football and, in turn, for all other collegiate sports programs at these FBS institutions.

Sweeping NCAA governance changes in 1996 formally recognized the growing power of schools with FBS football. Division I governance moved from an equal representation method of rule-making (one institution-one vote) to conference-based representative governance, with weighted votes and representation for FBS football conferences. The net effect was a governance system organized around FBS football, rather than one organized around basketball, the sole sport sponsored by every school in Division I.

The elevation of FBS football to even greater dominance took another major step when FBS conferences consolidated their major bowl affiliations to form the Bowl Championship Series (BCS) in 1996. The first BCS, which was designed to ensure for the first time the #1 and #2 ranked teams met in a championship game, was staged in 1998. The BCS evolved into the extraordinarily successful College Football Playoff (CFP), a four-team playoff backed by a 12-year \$7.3 billion contract with ESPN. The CFP, which launched in 2015, is operated by CFP Administration LLC, independent of the NCAA.

In his account of the NCAA's history on the occasion of the organization's 100th year of operation in 2006, historian Joseph Crowley remarked on the significance of the BCS era and what it meant:

“Irony is at work here. The sport that gave life to the [NCAA] and consumed so much of its energies for so long a time is now governed at the top level, for postseason championship purposes, by an entity outside the NCAA’s jurisdiction.”²

The Far-Reaching Impact of FBS Football's Ascendancy

In the past 15 years, FBS football revenues have grown exponentially. This rapid growth has provided benefits but also has created unintended consequences, including perceived inequities between limited college athlete benefits and lavish coaching compensation, legal and legislative challenges to NCAA bylaws that restrict athlete rights and opportunities, erosion of the historical notion of the “amateur” college athlete, and, more broadly, questions as to the role of intercollegiate athletics in higher education.

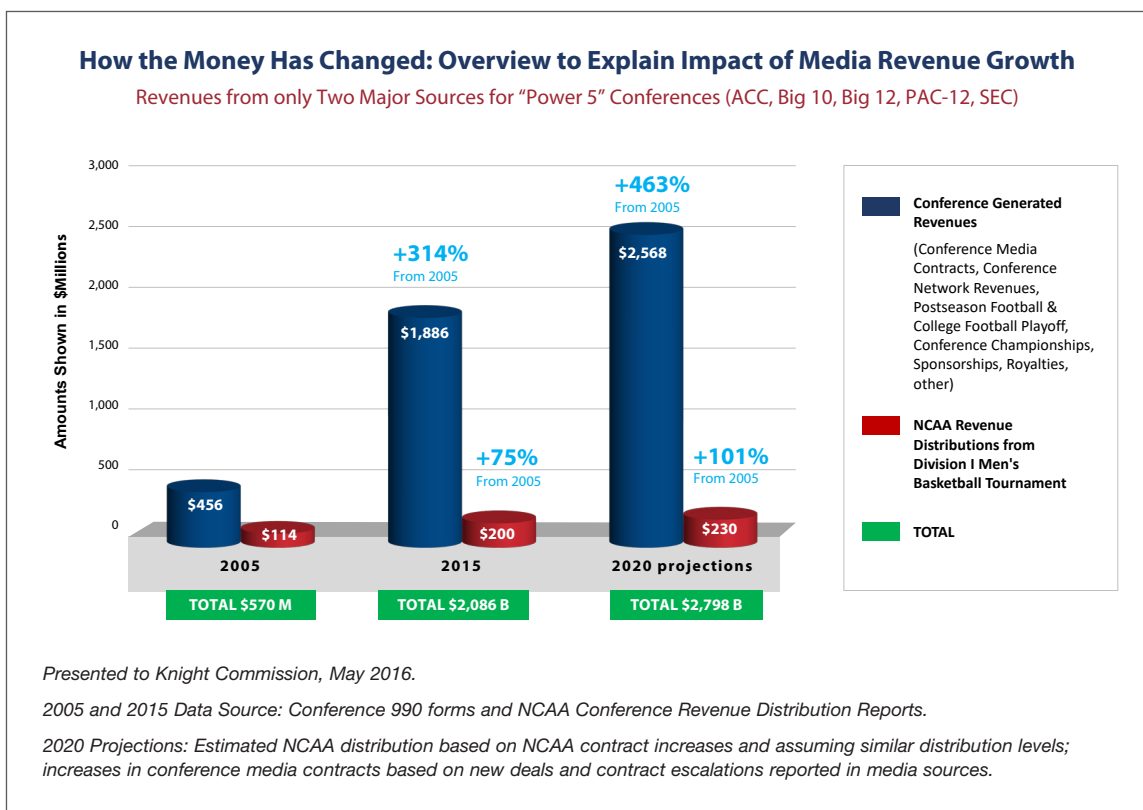
² Crowley, Joseph N. “In the Arena: The NCAA's First Century,” Indianapolis, Indiana, NCAA Publishing, 2006.

For many FBS institutions, conference media rights have become the single most powerful driver of the school's athletic program, dictating conference affiliations and scheduling. FBS conference realignments around football television markets have led to record-breaking conference revenues, including conference-owned television networks and the emergence of the lucrative College Football Playoff. The "Power 5" conferences—ACC, Big 10, Big 12, PAC-12, and SEC—gained an influx of more than \$2 billion in new revenues from their conference-generated revenues from 2005 through 2019. (see Figure 1).

The financial supremacy of the Power 5 was formally recognized in a 2014 NCAA Division I governance restructuring that granted legislative autonomy to this group of conferences. Now formally known as the "Autonomy 5" conferences, these conferences have legislative authority to make changes to some Division I bylaws that other schools are not required to adopt. Most of the changes made to date through legislative autonomy expand benefits to college athletes at these schools, and in a number of cases, carry significant budgetary implications.

The Power 5 schools sought autonomy to allow them the flexibility to support athletes in ways the rules then prohibited and the majority of Division I schools could not afford. They also sought a streamlined process that would move more quickly than the bureaucratic and slow-moving NCAA legislative process.

FIGURE 1 | Exponential Growth in "Power 5" Conference Revenues



The College Football Playoff, FBS football, and the NCAA

The College Football Playoff (CFP) is managed independently of the NCAA and controlled primarily by the Power 5 conferences. In 2019, CFP revenues [exceeded \\$460 million](#), nearly 80 percent of which was received by Power 5 conferences and their member institutions. All revenues received from the CFP may be used at the discretion of the institution without regard to education, health, safety, and success of football players, unlike the NCAA distribution to schools that does require some dedicated uses for educational purposes.

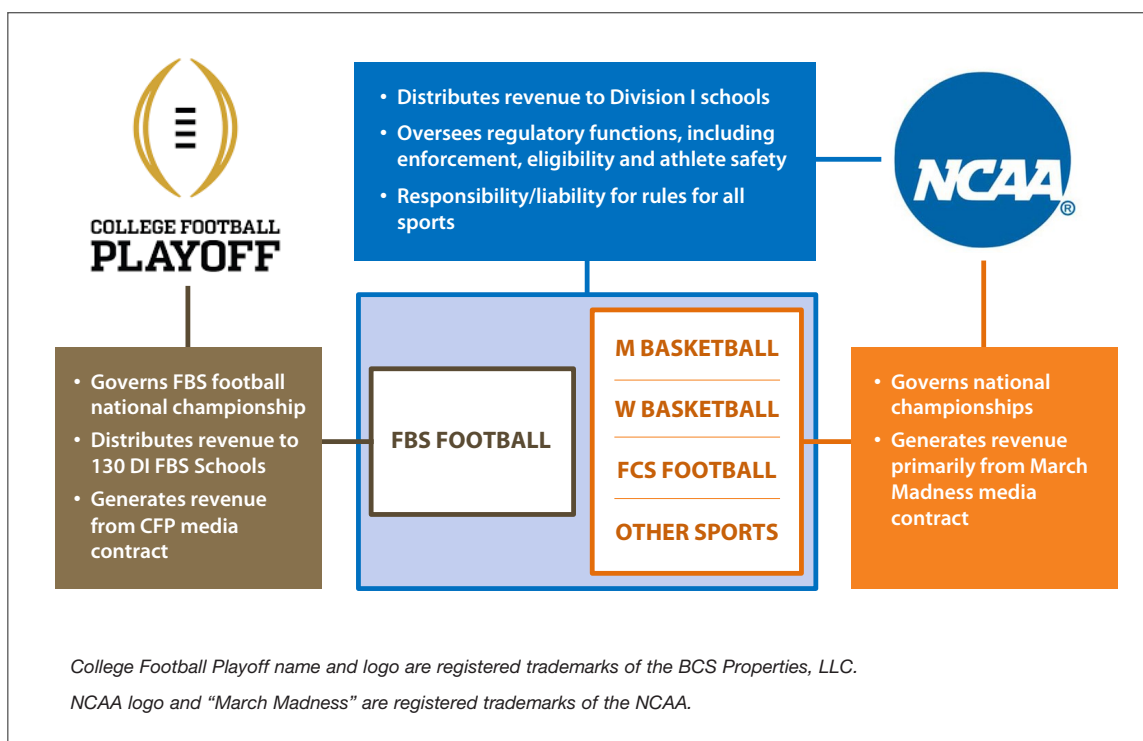
The NCAA does not control or benefit financially from the CFP, or from any other FBS football revenue, yet the NCAA absorbs all national expenses for FBS football, including eligibility, rules enforcement, catastrophic insurance, legal services, health and safety administration, and injury research.

Additionally, the NCAA considers the sport of FBS football in its annual distribution to Division I institutions, even though the sport does not meet the NCAA's qualifying criterion for inclusion—namely, that the NCAA operate a sport's postseason championship. In 2019, the total NCAA revenue distribution, from funding generated through the Division I March Madness basketball tournament, totaled more than \$590 million. The portion of the distribution attributable to the inclusion of FBS football factors, like counting the number of football scholarships awarded, is estimated to come to more than \$61 million annually, according to a [report](#) produced for the Knight Commission.

The separate administration of the lucrative and independent CFP means that no single entity is responsible or accountable for the sport of FBS football.

The shortcomings of fragmented governance of FBS Football and a separate CFP became glaringly evident in 2020 when the NCAA cancelled all of its fall championships for health and safety reasons due to the COVID-19 pandemic, including its FCS football championship. By contrast, the CFP schedule, as well as the independent postseason bowl games, remained largely on schedule. That juxtaposition demonstrated the financial power of FBS football, its importance to the identity of its campuses, and FBS football's separate and splintered governance.

FIGURE 2 | Current Division I Structure



Revenue Disparities and Soaring Spending

Vast disparities among athletics budgets, and soaring spending at many FBS schools, now characterize Division I athletics. Budgets for the 350 Division I programs in the NCAA's three subdivisions ranged from \$4 million to \$220 million in 2019. Even among the FBS's 130 programs, budgets ranged from \$16 million to \$220 million, meaning the biggest FBS program budget was about 14 times greater than the smallest budget. The vast majority of Division I schools rely on student fees and institutional funding to pay for their athletics department budgets.

For the relatively small number of revenue-rich Power 5 schools, which generally have little or no reliance on institutional funds and student fees, the problem is that expenses are growing even faster than revenues. According to an [NCAA report](#), from 2004 to 2019, median revenues generated from sources external to the institution rose 149 percent, only to be outpaced by expenses, which rose 159 percent.

The Knight Commission's [College Athletics Financial Information \(CAFI\) database](#) shows that revenue increases at Power 5 public institutions from fiscal years 2005 to 2018 were spent disproportionately on three areas: [growth in coaching salaries](#), [growth in non-coaching administrative positions and salaries](#), and major investments in athletics facilities, financed in large measure through [long-term debt](#).

Equally troubling are [NCAA data](#) for the non-Power 5 FBS institutions, schools that are mostly members of the “Group of 5” conferences. Among these institutions, the NCAA reports that median generated revenues rose 47 percent during the last 15 years but expenses grew nearly twice as fast—jumping 92 percent. Institutions in the Group of 5 rely heavily on institutional support to fund their athletics budgets. The median support from institutional funds and student fees was approximately \$23 million, with median institutional support jumping 18 percent in a single year between 2018 to 2019.

Groundbreaking Survey Shows Strong Support for Change

In the summer of 2020, the Knight Commission conducted a groundbreaking survey of NCAA Division I leaders, including presidents, athletics directors, and conference commissioners, to assess their views about the governance and organizational structure of Division I college sports. Overwhelmingly, respondents favor reform in NCAA Division I governance and organizational/competitive structures, prefer “big solutions” to incremental change, and believe the crisis created by the COVID-19 pandemic presents the perfect time to address these issues.

“The Division I model has needed an overhaul for many years now, and our survey shows that most college sports leaders recognize the need for fundamental change in the structure and governance of college sports. The work ahead is much broader than adopting a few new policies.”

—Arne Duncan, co-chair, Knight Commission

The survey responses revealed widespread discontent in NCAA Division I, including:

- a) a lack of common values about what athletic programs should be at educational institutions,**
- b) a broken financial model,**
- c) inequity in national revenue distributions from marquee championships; and**
- d) dissatisfaction with national governance, with limited consensus about how governance should be changed.**

Some of the specific findings are:

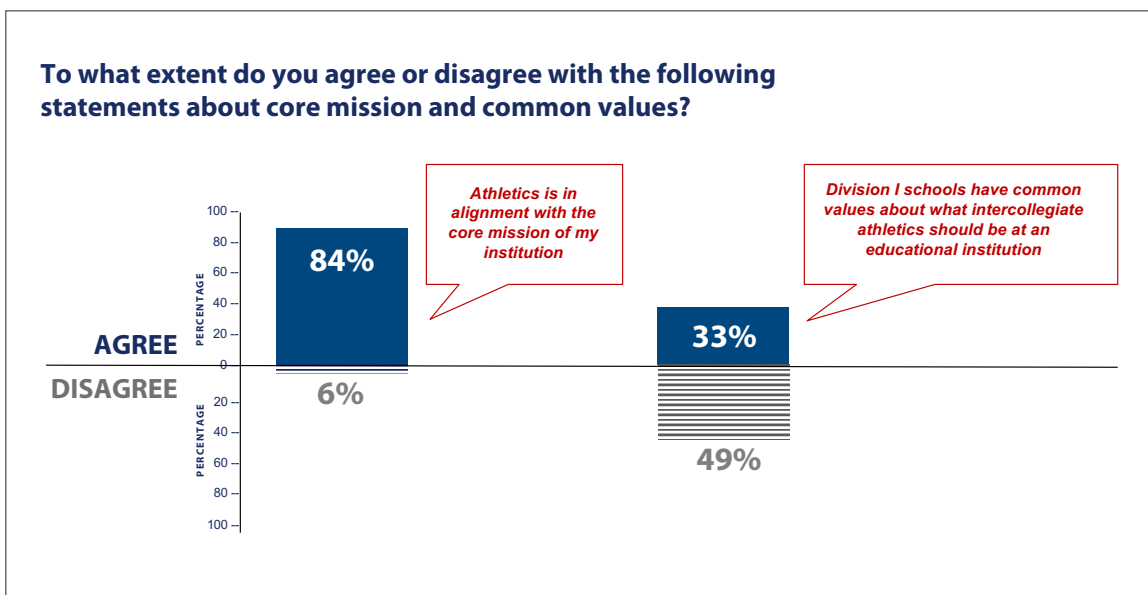
The vast majority of college leaders believe their institutional mission and athletic program are in alignment. But only one in three believe Division I schools share common values about what athletics should be at an educational institution.

Resource disparities exist and contribute to overspending. Nearly 80 percent of survey respondents believe the current Division I structure has resource differences that are too great across institutions. In addition, nearly 60 percent of FBS respondents say they overspend in football to keep up with higher-resourced teams, and a similar percentage of *all* respondents agree they spend too much to keep up with higher-resourced competitors in men’s basketball. Outside the Power 5 conferences, more than half of all respondents say that their athletics programs rely too much on student fees and institutional funds to support the athletics budget.

College leaders also expressed clear dissatisfaction with inequities in the NCAA’s sharing of March Madness revenues and the CFP’s distribution of College Football Playoff revenues.

Overall, just one-third of Division I leaders expressed satisfaction with the governance of Division I college sports. Leaders from the FCS conferences and Division I basketball-centric institutions without football strongly support governance reform, with more than 80 percent saying that the current weighted voting arrangement in Division I governance is “inappropriate.”

FIGURE 3 | Knight Commission D-I Leaders Survey



Notably, college athletics leaders supported sweeping actions to contain athletic spending, including:

- >> **An antitrust exemption to control athletics costs (67 percent favor), with more than 80 percent support from Power 5 respondents.**
- >> **Conference-level agreements to cap sports' operating budgets, including coaching salaries (62 percent favor).**

The survey also asked college athletics leaders to evaluate major Division I reorganization models, including the new structure recommended in this report. The survey found openness to alternative structures, with support differing by subdivision.

Among all survey respondents, creating a new, non-NCAA entity to govern and manage the sport of FBS football was preferred to an alternative structure that would create a new NCAA Division for all Power 5 sports other than basketball. However, 42 percent of FBS survey respondents indicated they would be unlikely to support a separate structure for FBS football only.

"It's clear from our survey that college leaders acknowledge that the status quo is no longer acceptable."

—Carol Cartwright, co-chair, Knight Commission

The Knight Commission survey does reveal one aspect of NCAA governance and organizational structure for which there is overwhelming support: **Nearly four in five college athletics leaders believe it is "essential" to keep all current Division I schools in the same men's March Madness basketball tournament.**

"Survey respondents favor reform in NCAA Division I governance and organizational/competitive structures, prefer "big solutions" to incremental change, and believe the crisis created by the COVID-19 pandemic presents the "perfect time" to address these issues."

—2020 Knight Commission D-I Leaders Survey

Recommendations for Change

Much of the public and media have diminished confidence today in both the educational value of college athletics and the integrity and relevance of the NCAA. The combination of self-interested decision-making, vast financial disparities, and imbalanced and ambiguous governance have collectively created a situation where major challenges facing Division I athletics are now regularly addressed through litigation or federal and state legislative action, rather than by higher education leaders. As of December 2020, five states have passed legislation that conflicts with current and proposed NCAA “Name, Image, Likeness” rules, including Florida’s state law, which will take effect in July 2021. Meanwhile, federal lawmakers continue to hold hearings and draft bills to fashion their own remedies for college sports, propelled by bipartisan belief that the current governance model and the NCAA’s restrictions are not fair to college athletes.

Recognizing these challenges, the Knight Commission, whose members have more than a century of combined experience in higher education and college athletics leadership, launched a methodical examination of Division I sports in December 2019. The resulting work has been far-ranging, including proposed principles and guidelines for the use of college athletes’ name, image, and likeness (NIL), a survey of Division I presidents and college sports leaders, a novel analysis of the impact of FBS football factors on the NCAA’s distribution of March Madness revenues, and a literature review of athletics reform proposals. That collective body of work led the Commission to propose removing FBS football factors from the NCAA’s distribution of March Madness revenues and the governance reforms that follow below.

Knight Commission NCAA Revenue Distribution Formula Recommendation

The NCAA revenue distribution formula should count ONLY sports for which the NCAA operates a post-season championship and controls revenues associated with that championship consistent with its guidelines.

RESULT: The sport of FBS football no longer would receive its current exemption to count in the NCAA’s revenue distribution formula and the CFP’s independence would be appropriately reflected.

While the revenue distribution changes that we recommend to improve college sports can be made under the existing Division I governance structure, the Knight Commission has concluded that more sweeping governance changes are necessary. The governance of NCAA Division I has not kept pace with the rapid commercial growth of college athletics, particularly FBS football, and now is the time for fundamental and far-reaching structural and governance change in keeping with the “big solutions” that college leaders themselves seek.

The Knight Commission believes that governance reform should reflect and be guided by a set of core principles for strengthening and protecting intercollegiate athletics, and not be cobbled together to address the exigencies of the moment. The Commission identified ten principles that should shape athletics governance.

All of the research produced and data analyzed as part of this examination can be viewed on the Knight Commission’s “Transforming the NCAA D-I Model” website portal [here](#).

Governing Principles to Guide Reform

The following principles are provided as recommendations to guide the development of new national governance structures for all college sports:

- 1 National governance should make college athletes' education, health, safety, and success its highest priority, and national competitive structures and policies that govern athlete benefits should reinforce this priority for all aspects of the college athletic experience.
- 2 National governance should require college athletes to be full-time academically eligible students, making satisfactory academic progress toward a degree.
- 3 National governance should prohibit institutions from paying college athletes for their athletics participation. National governance should continue to allow the provision of scholarships and additional support tethered to education, and it should allow college athletes to earn compensation just like other students from jobs, including operating self-owned businesses, and from arrangements with sources other than their institutions for the uses of their name, image, and likeness (NIL).
- 4 National governance should demonstrate and advance commitments to racial equity and to gender equity in college sports, embedding these commitments in all aspects of governance, including policies, hiring, personnel training practices, and national revenue distribution incentives and outcomes.
- 5 National governance should hold athletic program leadership and college presidents accountable for advancing racial equity and reducing systemic racism in intercollegiate athletics, measured against institutionally specified metrics of progress. National governance should prioritize the educational mission of the institution for college athletes of color and also should utilize college sports as a vehicle to expand educational opportunities, especially for Black athletes.
- 6 National governance leadership should reflect appropriate voting and decision-making power that prioritize athletes' education, health, and safety, rather than competitive success or revenue generation.
- 7 National governance should hold college presidents accountable for articulating their intercollegiate sports programs' competitive, educational, student well-being, financial, and institutional goals; for assessing institutional performance; and for financial transparency.
- 8 National governance should include meaningful representation for college athletes at all levels, and major national governance bodies should have a majority of independent directors, including former athletes.
- 9 A national governance organization should control and be responsible for all national aspects of any sport which it administers, including its national championship and/or any revenue generated nationally from that sport or championship. Only sports meeting this criterion should be included in any determination of a national organization's governance structure or be eligible for administrative, financial, or other support.
- 10 A national governance organization's distribution of national revenues should be based on financial incentives that advance its member institutions' educational missions and the provision of educational opportunities to their athletes.

Commission Recommendations for Governance Reform

Drawing on its principles for reform, the Knight Commission's three core recommendations for transforming NCAA Division I governance are:

- I** Create a new entity, completely independent of the NCAA and funded by the College Football Playoff revenues, to govern the sport of football in the Football Bowl Subdivision (FBS). The new governing entity would oversee all FBS football operations, including its national championship, and manage all issues related to FBS football athlete education, health, safety, revenue distribution, litigation, eligibility, and enforcement.
- II** The NCAA should govern and conduct national operations and championships under a reorganized governance system for all Division I sports, including football at the Football Championship Subdivision (FCS) level, but excluding what is now FBS football. This new system should establish equal voting representation for all Division I conferences and the NCAA Division I Basketball Tournaments should retain their current structures, open to all Division I schools. NCAA Division I should retain its current membership of institutions and conferences with athletics programs classified in the FBS for all sports except football, FCS programs including football, and Division I schools that do not offer football. Governance and oversight of football in NCAA Divisions II and III should remain unchanged.
- III** The NCAA and the new FBS football entity should adopt governing principles, such as those articulated by the Commission in this report, to maintain college athletics as a public trust, rooted in the mission of higher education. Those principles must prioritize college athletes' education, health, safety, and success in the operation of intercollegiate athletics. Regardless of the sport or governance entity, college presidents and chancellors should be responsible and accountable for the conduct of all intercollegiate athletics programs at their institutions.

Benefits of the New Governance Model

The Knight Commission believes that a new, governing entity for the sport of FBS football, the National College Football Association (NCFA),³ will help not only FBS football but all other NCAA sports to endure and thrive, while keeping college sports tethered to core principles of higher education. Each entity will benefit from being an independent, unified governance structure for the sports that it oversees, replacing the current fragmented system, enabling their respective governing bodies to make decisions that consistently advance the educational, health, and safety needs of the athletes whom they serve.

The potential governance benefits for the NCFA and the NCAA extend well beyond principled and better-focused administration. Both new structures will be better situated to simplify cumbersome legislative processes and streamline arcane and prolific rules.

Fundamentally, this structural shift would empower NCAA Division I governance to act independently of the concerns of FBS football and allow the new NCFA to more effectively shape the future of FBS football through a single, unified entity. Separating the governance of FBS football also will make it easier to hold the leadership of both groups accountable for applying the values of higher education, as articulated in the Knight Commission's governance principles, helping to reinforce athletics as a vital source of educational opportunities for college athletes who must also be students.

Establishing a separate entity for the governance and administration of FBS football through the NCFA is the most direct and simultaneously the most significant of the many governance changes that the Commission considered. Not all NCAA governance challenges can be resolved with one action or at one time. However, separating governance of FBS football is the essential first step that opens the door for tailored solutions that can address the unique needs of each new governance structure and division. For example, the governance entities may determine it is necessary to seek antitrust protection to cap coaching salaries. These are decisions that are best decided after the new structures are formed, not before.

The Commission also believes that athletes' voices and representation matter, and that athletes in FBS Football and Division I basketball, particularly athletes of color, are often underrepresented in the NCAA's current structure. Separating FBS football governance could and should increase the opportunity for athlete representation, especially among Black college athletes, who make up more than half of all FBS football players.

³ Note: For brevity and clarity in describing the proposed new entity, the Commission refers to it as the National College Football Association "NCFA" throughout the remainder of this report.

For programs apart from FBS football, this model provides important benefits too. Reflecting the sentiments voiced in the Commission’s survey of college leaders, NCAA governance would continue to oversee the Division I Men’s and Women’s basketball championships and continue to distribute millions of vital dollars in March Madness revenues to support broad-based institutional athletics programs.

Unlike some governance reforms, the establishment of the NCFA and simultaneous NCAA structural changes can be implemented without delay by Division I schools and conferences, without legislation, governmental approval, or navigating extensive reorganization within the NCAA.

A summary of additional benefits that could accrue to the NCAA and NCFA includes:

Governance Benefits for the NCAA:

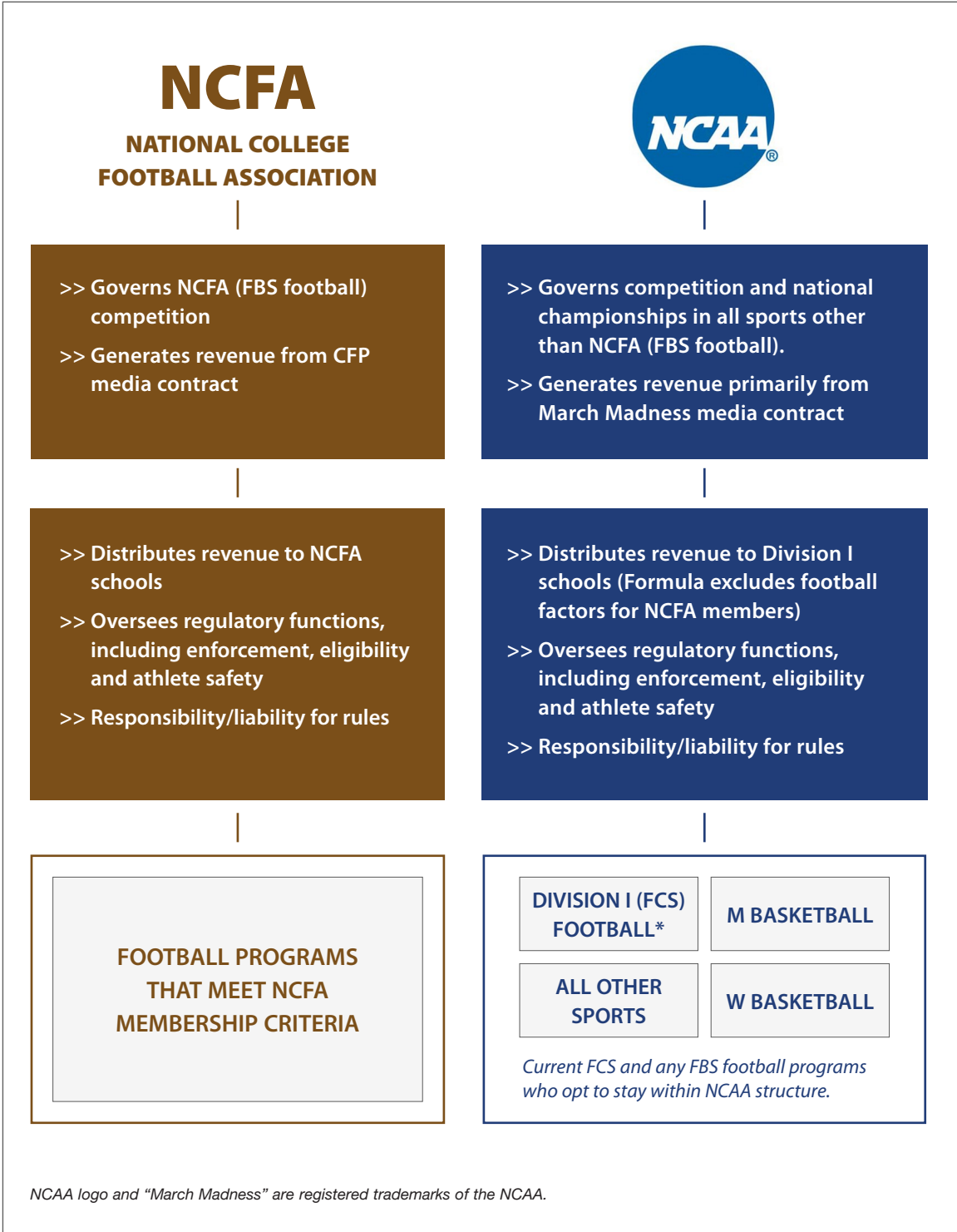
- ① The NCAA would restore a system of democratic governance that equally represents the interests of each institution through their conferences.
- ② NCAA governance would once again be organized around the sport sponsored by every Division I school and responsible for the vast majority of its revenues—basketball—and can more intentionally address significant and on-going challenges to the integrity of the sport.
- ③ The reorganized NCAA governance would more effectively serve the vast majority of Division I college athletes: more than 185,000 college athletes participate in Division I sports, but only 8 percent participate in the sport of FBS football.
- ④ Elimination of the sport of FBS football from NCAA revenue distribution calculations would reestablish the expectation that revenue distribution be determined only by sports that have its championship sponsored by the NCAA.
- ⑤ The NCAA would reduce expenses and reallocate revenues by removing national operating costs to support FBS football, consistent with the application of NCAA bylaws. These changes would create opportunities for new or expanded revenue distribution incentives totaling than \$60 million a year to support broad-based sports programming and other desired educational outcomes.
- ⑥ The new NCAA structure would allow greater scheduling flexibility and geographic cohesion by untethering competitive affiliations for other sports that are now tied primarily to football interests—providing cost efficiencies, reducing excessive athletic travel, and encouraging regional rivalries.
- ⑦ The NCAA and member institutions that do not offer FBS football would reduce their legal liabilities and risks from costly legal settlements related to FBS football.

Governance Benefits for the National College Football Association:

- ① FBS football will be independent and fully empowered to make decisions that not only reflect its distinct business model among Division I sports but also enables FBS football to be more accountable and responsive to the education, health, and safety concerns of its athletes.
- ② The new NCFA can provide a reset opportunity for FBS football programs, particularly in the Group of 5 conferences, to assess whether they wish to continue to fund the expenses associated with the highest competitive level of football. Some FBS programs may conclude that they have overleveraged institutional funding and student fees to compete with higher-resourced programs, and that it would be best for the institution to affiliate with NCAA Division I FCS football. Other FBS institutions will conclude that they want to compete in the NCFA.
- ③ No single entity is currently responsible for all aspects of FBS football, diluting public accountability. Creating the NCFA would clarify accountability for the operation of FBS football and boost transparency about the sport.
- ④ Similarly, NCFA governance will be more accountable for how CFP revenues provide incentives for academic achievement, support coaching and hiring diversity in football, and protect athlete health and safety.

No single entity is currently responsible for all aspects of FBS football, diluting public accountability. Creating the “NCFA” would clarify accountability for the operation of FBS football and boost transparency about the sport.

FIGURE 3 | Knight Commission’s Recommended Governance Model for College Athletics



Next Steps

The Commission recognizes that these recommendations raise many practical questions and implementing these reforms will require substantial and sustained effort. The Commission is committed to playing a leading role in the evaluation and work necessary to implement its recommendations. To facilitate progress toward a more equitable governance model, the Commission offers several suggestions as next steps:

- ① The Knight Commission will convene an FBS presidential summit to consider the recommendations in this report and the creation of an independent special task force to develop the new, separate “National College Football Association” governance organization. The Commission is able and willing to provide support to this effort and it has already considered numerous implementation challenges for a new FBS football entity (see Appendix 1). The Commission also recommends that the task force makeup be consistent with the Commission’s governance recommendations and include a majority of independent directors and a substantial representation of athletes.
- ② The NCAA should promptly implement the Knight Commission’s recommended NCAA revenue distribution change. It should eliminate the exemption allowing FBS football to count in the NCAA’s Division I revenue distribution calculation, because the sport does not meet the NCAA’s qualifying criterion—namely, that the NCAA operate a sport’s national championship. FBS schools would still receive significant distributions from the NCAA, just not based on counting the sport of FBS football and its scholarships in the formula.

Note: After the “NCFA” is formed, all Division I institutions (FBS and non-FBS) will remain eligible for NCAA revenue distributions based on their NCAA membership, including sport sponsorship and athletic financial aid awards in sports other than “NCFA” football.

- ③ The NCAA should make additional changes to its revenue distribution formula to clearly support, and provide incentives for, athlete opportunities and well-being across all of Division I and for all sports. Possible areas of investment might include incentives for broad-based sports programming, coaching and administrative diversity initiatives, post-graduate education for athletes, and establishing independent centers to monitor excellence and improvement for college athlete education, health, and safety.
- ④ The composition of the NCAA Board of Governors, the Division I Board of Directors, and all underlying committees will need to be changed to provide equal representation for all conferences that sponsor men’s and women’s basketball. The NCAA Constitution and Bylaws will need to be changed accordingly.

A Concluding Note

The Commission recognizes that far-reaching governance reform will not take place overnight. At the same time, it believes that discussions on a new governance structure for Division I can and should begin immediately. Governance reform is urgent, not a wish list item. Even prior to the COVID-19 pandemic, many Division I athletic programs were hemorrhaging money, raising student fees to inappropriate levels, spending beyond their means on coaching salaries and gilded facilities to keep up with FBS competitors, while shortchanging or even dropping Olympic sports. Moreover, new and upcoming lucrative Power 5 conference television contracts and a new CFP contract, for which negotiations will begin in a couple of years, threaten to widen financial inequities in a governance system that provides little accountability for improving athletes' education, health, safety, and success.

If implemented, the Commission's governance recommendations would represent a huge leap forward for Division I sports. Higher education leaders should avoid the trap of letting the perfect become the enemy of the greater good, or thinking solely of narrow institutional interests. **In this moment of both crisis and opportunity, university leaders should follow through on their desire for "big solutions" to benefit college athletes and preserve intercollegiate athletics as a public trust.**

Appendix 1

Important Questions & Answers

1 *What steps would need to be taken to form a separate “National College Football Association”?*

A special task force, with representatives from NCAA FBS institutions would likely need to draft an organizational plan for the NCFA, supported by independent experts who would be appointed to prioritize the long-term interests of college sports. An organizational plan for the NCFA would, at a minimum, specify a mission statement, and create a constitution and association bylaws.

- » NCFA criteria would determine whether an institution’s football program would be: a) eligible for membership and governed by the NCFA, or b) affiliated with NCAA Division I football.
- » The NCFA will need to design its organization to address the following functions: staffing, administration, operations, expenses and funding; championship structure and media rights (currently handled through the CFP Administration LLC); athlete eligibility, benefits and rules compliance; health and safety initiatives; and cost controls and other financial arrangements.
- » The NCAA will not provide administrative services or incur any costs for NCFA or the sport of FBS football.
- » NCAA Division I will need to provide for an orderly transition for football programs that do not join the NCFA and remain affiliated with the NCAA. This transition may require realignment of conference memberships, facilitated by a pause in applying Division I continuity requirements for conferences’ automatic qualification for NCAA championships and might include the establishment of new Division I multi-sport conferences.

2 *How will the change impact the structure of athletics on campus?*

Institutions with membership in both the NCAA and the new “National College Football Association” may structure their campus’ athletics governance as they wish, just as they do now, with institutional boards and presidents remaining fully accountable for all intercollegiate athletic activities on their campuses.

3 *Why didn't the Commission recommend that the NCAA Division I pursue an antitrust exemption to address financial challenges and runaway spending?*

The Commission's recommendations focus on fundamental governance restructuring. An antitrust exemption may be necessary or helpful for operating new governance entities but the potential need for and the scope of an antitrust exemption can only be determined after new governance structures and their goals are clearly articulated. An antitrust exemption is a means to an end, not the end unto itself. Thus, an antitrust exemption should be sought only if it is necessary to fulfill the principles of this report. Establishing the governance models and underlying values first should determine if an exemption is necessary and needs to be negotiated with lawmakers.

4 *How does Title IX apply?*

The Commission's governance principles are clear that all athletics programs at postsecondary institutions should demonstrate and advance commitments to bolster gender equity in college sports and must comply with Title IX and other applicable laws and regulations.

5 *Some schools rely on revenue from "buy" games against FBS football powerhouse teams to fund their budgets. What will happen to these opportunities?*

The NCFE should examine this question as part of the scheduling criteria for its members to determine if playing these games are consistent with principles of prioritizing athlete health and safety.

Since the NCAA will have more than \$60 million in savings from its revenue distribution changes by removing FBS football factors, the NCAA will have more funds to distribute to its Division I members, including those that remain affiliated with the NCAA in FCS, in a values-based distribution.

Appendix 2

Important NCAA Governance and Football Milestones⁴

1869	1st football game between Rutgers and Princeton
1902	1st Rose Bowl Game (oldest postseason football event)
1905	A football season with 18 fatalities and 149 serious injuries led President Theodore Roosevelt to demand that university presidents either reform the game or abolish it.
1906	University presidents formed the first-ever national association in response and developed rules to make college football safer. This first national association, Intercollegiate Athletic Association of the United States (IAAUS), adopted a different name in 1910—the National Collegiate Athletic Association (NCAA).
1916	2nd Rose Bowl Game (after 14-year hiatus)
1940	1st televised football game between Maryland and Pennsylvania
1952	NCAA schools adopted a television policy allowing limited football telecasts under NCAA control for rights fee of \$1.14 million. [The telecasts were limited due to concerns about negatively impacting attendance.] 1st Full-time employee at NCAA headquarters.
1968	NCAA member schools asked to identify as either college or university division.
1973	Major NCAA reorganization of schools into Division I, II or III that according to the NCAA “aligned like-minded campuses in the areas of philosophy, competition and opportunity.”
1977	College Football Association (CFA) founded by 61 of the highest-profile football schools that favored a smaller Division I for football and planned to negotiate a separate television agreement apart from NCAA.
1978	Division I subdivided into Division I-A and I-AA but I-A was not reduced in size as desired by CFA members.
1981	Stricter I-A requirements pushed by the CFA members were adopted.
1981	NCAA begins championships in women’s sports.
1984	The U.S. Supreme Court decision in the landmark antitrust case <i>NCAA v Board of Regents of University of Oklahoma (Board of Regents)</i> stripped the NCAA of its authority over regular-season football television contracts, leading to a deregulated market.

⁴ The source of many of the milestones cited in this timeline are from: Crowley, Joseph N. “In the Arena: The NCAA’s First Century,” Indianapolis, Indiana, NCAA Publishing, 2006.

1988	NCAA schools approve resolution that discontinues consideration of possible NCAA I-A football championship.
1991	NCAA approves new revenue distribution formula that rewards more money to institutions with the sport of I-A/FBS football, even though I-A/FBS football does not meet the criterion for counting as an “NCAA sport”—namely that the NCAA operate a sport’s postseason championship.
1994	(June) NCAA Council approves committee to reexamine NCAA I-A/FBS football championship.
1994	(July) Major conferences form the Bowl Alliance, which was a precursor to the Bowl Championship Series (BCS), a move that essentially eliminates a future opportunity for an NCAA Division I-A/FBS football championship.
1996	NCAA changes its governance structure moving from its democratic method of rules-making (one institution-one vote) in favor of a conference-based representative form of governance with weighted votes for the FBS/I-A football conferences.
1996	The Bowl Championship Series (BCS) was officially announced.
1997	CFA disbands.
1998	The BCS begins, launching college football into a new era with its first-ever championship format. [Prior to 1998, college football champions at the FBS/I-A level were determined by polls, not by a competitive format.]
2006	NCAA Celebrates its 100-Year History
2006	Division I-A renamed to Football Bowl Subdivision (FBS); Division I-AA renamed Football Championship Subdivision.
2014	NCAA Division I governance altered to provide legislative autonomy to Power 5 conferences, allowing them to make their own rules in certain areas.
2015	1st College Football Playoff game. (12 years/\$7.3 Billion contract) The CFP is operated by CFP Administration LLC, independent of the NCAA.

Acknowledgements

The Knight Commission acknowledges the many individuals whose time, talent, and experience made this report possible.

The Commission's leaders oversaw an ambitious agenda in 2020 during an unprecedented year of national challenges. We thank Commission Co-Chairs Carol Cartwright and Arne Duncan and committee chairs, Christine Copper, Scott Cowen, Len Elmore, Walt Harrison, Jonathan Mariner, and Nancy Zimpher for their thoughtful and tireless leadership.

The Commission extends its thanks as well to a stellar team of consultants with wide-ranging expertise in college sports and higher education administration and sports law: Michael Cross, Gabe Feldman, Sandy Hatfield Clubb, Jeffrey Orleans, Todd Turner, and David Whitman. Their contributions were guided by Knight Commission CEO Amy P. Perko, with the support of JoJo Rinebold, chief of staff, and Scott Hirko, project manager for the College Athletics Financial Information (CAFI) database. This entire team shares, along with Commission members past and present, a sustaining passion to improve college sports, both for the benefit of college athletes and for their institutions.

The Commission also thanks its communications team at Dewey Square Group, led by Fred Frommer and Maura McDonough; Steve Delsohn with Delsohn Strategies, Inc.; and Lynne Leigh with Modern Media.

The Commission is grateful to the hundreds of D-I leaders, including presidents, athletics directors, and commissioners, who contributed their opinions to the D-I leaders survey conducted in June 2020. Their views helped shape the Commission's deliberations.

Thanks are due as well to the many experts who completed research projects referenced in this report: survey experts with Shugoll Research, accounting professionals with CliftonLarsonAllen, and sports business professor Karen Weaver and her team of nationally-recognized sports administration and legal scholars, who analyzed athletics reform proposals over the past decade.

Finally, the Commission thanks the John S. and James L. Knight Foundation for their continued support of the Commission's work, with special thanks to Knight Foundation President CEO Alberto Ibarguen, Sam Gill, and Nate Wallace for their guidance and leadership.

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