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Sent Via Email August 31, 2021

Robert M. Gates NCAA Constitution Committee

Dear Mr. Gates,

We understand that the NCAA Constitution Committee is requesting input on major structural and constitutional issues that will shape the future mission and role of the NCAA. We commend the NCAA Board of Governors for initiating this important and much-needed process.

For nearly two years, the Knight Commission has been engaged in a similar, sweeping examination of Division I's governance, revenue distribution programs, NIL rules, and gender and racial equity performance.

We believe that our examination and recommendations can be useful to the Constitution Committee as it assesses how the NCAA can better serve college athletes and its member institutions. Our primary recommendations would require changes to the NCAA's Constitution and not just to its specific operating bylaws, making them directly pertinent to the charge and mission of the Constitution Committee.

As background, in December 2019, <u>we wrote to President Emmert</u> to inform him that the Commission was launching a far-reaching examination of new models to restructure Division I sports, citing the challenges created by the "highly commercialized environment" for Football Bowl Subdivision (FBS) football and some NCAA Division I sports, particularly men's basketball.

In June 2020, the Commission fielded a major survey of D-I leaders, including college presidents, athletics directors, and conference commissioners. That survey found, even a year ago, that D-I leaders favored a "big solution" to the challenges facing the Division and propelled the development of the Commission's comprehensive "<u>Transforming the D-I Model</u>" <u>December 2020 report</u>. The principal reforms the Commission recommended in that report include:

• <u>A new Governance Entity for the sport of FBS Football, paired with a Reorganized NCAA</u> <u>Governance</u>. The Commission proposed to overhaul the NCAA Division I structure by creating a separate entity, funded by College Football Playoff (CFP) revenues, to govern FBS football, with a concurrent restructuring of NCAA governance around its unifying sport of basketball. Nearly four in five D-I respondents in our survey agreed it was essential for the March Madness tournaments to maintain their current formats, and our proposal makes no change to these championships. In addition, our proposal includes constitutional-like founding principles that the Commission believes are "non-negotiable" to guide these new governing entities.

Two leading national law firms assessed our proposed governance model and concluded that it would not increase the legal risk regarding antitrust or Title IX—and in fact, could eliminate future legal exposure for the NCAA to potential antitrust litigation related to FBS Football since that sport would be managed by the separate entity. The executive summary of the legal analyses can be found <u>here</u>.

In this new model, the NCAA, which does not manage the CFP or receive any revenues from FBS Football, would no longer bear the national costs for the sport (e.g., health and safety, litigation, and enforcement).

• **Fairness, Accountability, and Values in Revenue Distributions**. In a related recommendation, the Commission proposed to alter the NCAA's and the CFP's revenue distributions to provide greater fairness, accountability, and support of the values central to the educational model of college sports.

The studies that informed our proposals as well as the presentations we made to explain our findings and recommendations can be found on this comprehensive <u>webpage</u>.

Building on our previous revenue distribution recommendations, the Commission will shortly release a comprehensive plan to require the more than \$3 billion in annual shared athletics revenue distributions from the major D-I revenue distribution entities (i.e., D-I conferences, NCAA, and the CFP) be tethered directly to the educational model of college sports, with a special emphasis on the core principles of transparency, independent oversight, gender equity, broad-based athletics opportunities, and financial responsibility.

Beyond our governance and revenue distribution recommendations, the Commission also issued proposals directly affecting the athlete experience: <u>a set of principles</u> to guide the development and oversight of NIL rules to allow college athletes to earn compensation from third parties, without institutional involvement; and, most recently, our report <u>"Achieving Racial Equity in College Sports"</u> spelled out a series of steps for advancing racial equity in intercollegiate athletics.

We believe that our proposals to overhaul the Division I structure, its governance, and the principles that guide shared athletics revenue distributions can ensure a viable future for an educational model of college sports, despite the sometimes daunting and deep-seated challenges that the NCAA confronts.

For your reference, linked <u>here</u> is the roster of Knight Commission leaders, who brought their considerable expertise and experience to bear in developing the Commission's recommendations, which were informed not only by a D-I leaders survey, but also by independent studies and extensive financial and legal analyses.

We would welcome the opportunity to present to the Constitution Committee to share more information about our recommendations and what we've learned over the course of our work—which has included presentations and discussions with more than 100 D-I presidents, as well as athletics directors, commissioners, and other leaders in college sports and higher education.

Best regards,

Arne Duncan Co-Chair

Len Elmore Co-Chair

Naxue Rampher

Nancy Zimpher Co-Chair

Cc: Jack DeGioia, chair, NCAA Board of Governors Mark Emmert, NCAA President Members of the Knight Commission on Intercollegiate Athletics