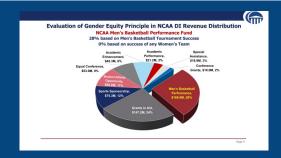


# Improving March Madness Revenue Distribution and the Future of College Sports

Issues and Solutions: Special March Madness Update 2022

Each year, Division I schools receive more than \$600 million in NCAA March Madness revenues. "Who gets how much and why" is determined by a formula that includes both values-based and performance-based components.

Highlighted below are two key issues related to this revenue distribution.



[click image to enlarge]

#### Addressing Gender Equity in March Madness Revenue Distribution

The Knight Commission's proposed financial C.A.R.E. Model would alter the distribution criteria and uses of March Madness revenues. Maintaining gender equity is a core principle of the model and should apply to the NCAA March Madness distribution. But the current NCAA distribution formula rewards March Madness tournament success only for men's basketball teams, awarding more than \$160 million annually. Our proposal would eliminate gender discrimination by requiring equal rewards for the success of women's teams if the formula continues to have an athletics performance-based component.



[click image to enlarge]

#### Impact of Academic Incentives in March Madness Revenue Distribution

In October 2016, the NCAA adopted the Knight Commission's **recommendation** to revise the March Madness revenue distribution formula to include financial incentives for achieving academic outcomes. The NCAA phased in the financial awards. beginning with the 2022 distribution through the lifetime of the current media contract that ends in 2032. The cumulative impact will be more than \$1.1 billion in awards to institutions and their conferences for the graduation outcomes of college athletes. These financial incentives and other academic reforms have been important contributing factors to the record-high graduation rates that DI athletes achieve today.

Learn why the Knight Commission's proposed financial C.A.R.E. Model helps college sports' future legal position.



Gabe Feldman, Sher Garner Professor of Sports Law and Director of the Tulane Sports Law Program and Knight Commission consultant

### **News This Month**

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"The Battle for Equity in NCAA Basketball," March 19, 2022

"... There's no such distribution for the women's tournament.

Stakeholders from the WBCA to the Knight Commission, a college sports reform group, agree that must change — though the NCAA Division I Strategic Vision and Planning Committee is still mulling it

over.

'There's no reason that the revenue distribution inequity cannot be dealt with in a much quicker time frame,' Knight Commission CEO Amy Perko told FOS. ..."

Read Here.



"How the women's NCAA basketball tournament has changed in a year from just one incredibly revealing tweet," *March 19, 2022* 

"... 'It was good to see those decisions made quickly, but to that point, there are still some changes that need to be made," said Amy Perko, CEO of the Knight Commission on Intercollegiate Athletics. "It calls

into question why they haven't changed the revenue distribution yet. That's the one change that we've talked about for a long time now, financial incentives impact funding priorities, and they impact behaviors.

And the NCAA March Madness tournament generates significant funding, \$600 million, that the NCAA distributes, and 28 percent of that distribution is based on how men's teams perform in the tournament. The Knight Commission has said that any national distribution, and frankly any division or conference distribution, should be gender equitable. If it is going to reward athletic success, it must reward athletic success for men's and women's teams. Currently women's teams are not included in any type of performance- based distribution. That's an issue that must be addressed.'

Her point is so important. ..."

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"Sedona Prince, March Madness and the ongoing quest for gender equity at NCAA basketball tournaments," March 15, 2022

"... Amy Perko, who has advocated for this change in her role as CEO of the Knight Commission, said she has so far been discouraged by the lack of interest from NCAA members on

prioritizing a new revenue distribution model. 'It's an important piece of the puzzle for a number of reasons,' Perko said. 'How the money is rewarded emphasizes what the organization values. To say as an organization that men's basketball is the only sport that we're going to provide performance bonuses, that speaks volumes.'..."

Read Here.



"After social media shaming, NCAA tries to get gender equity right for 2022 March Madness," *March 11, 2022* 

"...Two multimillion-dollar questions also remain unanswered. ...

Two: Will the NCAA revise its current 'performance-based' formula for disbursing more than \$160 million annually for success in the men's tournament, which represent powerful incentive for university

athletic directors to continue investing heavily in the men's game at the expense of the women's.

The Knight Commission advocated doing so in September, as part of a five-point plan for restructuring the way college sports distributes more than \$3.5 billion in annual revenue, with athletes' health, safety, education and gender-equity at its heart...."

Read Here.









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