

A PROJECT OF THE JOHN S. AND JAMES L. KNIGHT FOUNDATION

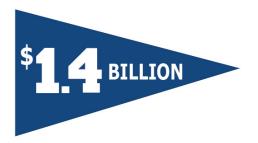
Impacting the Future of College Sports

Issues and Solutions Update — March 2023 Edition No. 7

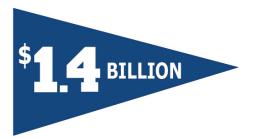
"The Multi-Billion Dollar Questions"

New CFP and NCAA Revenues Have Massive Financial Implications for College Athletes

How much CFP Revenue Is Earmarked for Athlete Education, Health, Safety, and Well-Being?



Anticipated new annual revenues that CFP expansion to 12 teams will generate for FBS schools by 2027, with **80%** expected to flow to Power 5 conferences based on current distributions and policies.



CLA (CliftonLarsonAllen) projection on what **52** public Power 5 schools will pay **575 Football Coaches** in 2030 based on prior spending trends. This amount will exceed what these institutions provide in athletic scholarship aid and institutional financial benefits to their more than 30,000 athletes in all sports.



ZERO dollars of the projected annual revenues from CFP expansion have been specifically earmarked for athlete education, health, safety, and well-being.

Click to view more financial projections

Will Presidents Fix the Broken FBS Football Financial Model and Put Athletes First?

"The cardinal rule of college budgeting is that it is much easier to revamp spending priorities with new revenues than to reallocate existing spending ... College presidents and the conference commissioners they supervise have a moral obligation and a rare window of opportunity to fix the broken financial model of FBS football now, before the first game in the expanded playoffs takes place in 2024—and before it becomes all but impossible to chart a new course for FBS football. It's time for FBS presidents to require most of this multi-billion-dollar bonanza be used for the education, health, safety, and well-being of college athletes."

Commission member, former CFP managing director, and Penn State University President Emeritus Eric Barron Writes in Sports Business Journal Op-Ed

Read Eric Barron's Sports Business Journal Op-Ed (March 13, 2023)

What Will Compel Congress to Act?

"The (Commission's) C.A.R.E. model, or other plans like it, are the key step prior to Congressional action. Staffers and people on the Hill want to see something specific. They're not just going to give a 'get out of antitrust jail free card.'"



Legal expert Gabe Feldman, NCAA Convention

Read about the Knight Commission's C.A.R.E. model

How Can Independent Directors Improve Division I Governance?

"While Division I sports is big business, it is an educational enterprise. Adding independent directors to the Governing Boards of Division I and the College Football Playoff Management Board to combat self-interest that dominates the competitive nature of college sports is critical to provide objective oversight. Independent directors should include medical experts, as well as current and former athletes with a legitimate voice in the governance process."

Commission member Jacques McClendon, Los Angeles Rams Director of Football Affairs

Read our letter to the NCAA about D-I Board composition (March 7, 2023)

View the Commission's NCAA Convention Presentation on all the Multi-Billion Dollar Questions

Glaring Gender Inequities Persist in March Madness Revenue Distribution







In April 2023, the NCAA will distribute **\$170** million to conferences and schools for the participation and wins by teams in the NCAA Division I men's basketball tournament.

ZERO dollars are distributed for the participation and wins by teams in the NCAA Division I women's basketball tournament or any other women's postseason tournament.

More than 500 days

have passed since an NCAA-commissioned report concluded the NCAA revenue distribution plan should change to correct its gender inequity.

Read Commission CEO Amy Privette Perko's comments









Pamela Bernard Appointed Co-chair and New Members Announced

Dr. Kimberly Harmon, Amy Huchthausen, and Judy Olian join Commission [Pictured from left to right - Bernard, Harmon, Huchthausen, and Olian]

Read more about their expertise in higher education and college sports here.

Members Interviewed on the Paul Finebaum Show



Click **HERE** to view Co-chair Len Elmore's Feb. 22 comments on priorities for the new NCAA president:

- changing the NCAA's reactive posture
- FBS Football governance reform should prioritize college athlete health, safety, and well-being



Click HERE to view Commission member Eric Barron's March 14 comments on the changes needed before new CFP revenue distribution takes place:

- financial reform should occur before the infusion of more than a billion dollars in new CFP revenue
- funding for college athletes should exceed what is spent on coaches and facilities

KNIGHT COMMISSION IN THE NEWS



Read the full **article**.

College Football's Unique Opportunity to Right Itself, Op-Ed by Eric Barron Sports Business Journal | March 13, 2023

"... Once a new media contract is in place beginning in 2026, CFP revenue will outstrip even the NCAA's March Madness revenue, making the CFP the biggest pot of gold in college sports by far..."

THE WALL STREET JOURNAL

The NCAA Needs to Fix Its Own Athlete-Compensation Problems, Its New President Says Wall Street Journal | March 1, 2023

WSJ journalist Laine Higgins quotes Knight Commission CEO Amy Privette Perko on how new NCAA leader Charlie Baker should approach the association's chaotic landscape around athlete compensation.

Read the full **article**.

Perko calls the NCAA's desire for Congressional intervention a "Hail Mary strategy" for addressing its problems.

KNIGHT COMMISSION IN THE NEWS



Read the full article.

Legal threats, NIL among top issues facing new NCAA president

ESPN.com | March 1, 2023

The Knight Commission's proposal to spin off FBS football into its own operation with a separate governing entity was mentioned in Dan Murphy's ESPN.com article. Murphy highlighted new NCAA President Charlie Baker's statement that leaders should acknowledge the big differences in finances among schools and "incorporate that into the way we structure our activities and the way we operate."



Read the full article.

NCAA tournament gender inequities show up starkly in revenue distribution

On3.com | March 9, 2023

Knight Commission CEO Amy Privette Perko is quoted extensively by On3's Eric Prisbell, highlighting the NCAA's revenue distribution of more than \$170M this year for teams' success in the men's tournament while awarding zero dollars for success in the women's tourney.

Prisbell reported that the Knight Commission believes the NCAA Division I Board of Directors should deal with the inequity at its April meeting. Perko said, "this issue needs to be addressed with much more urgency."



Read the full article.

NCAA Targeting Political Firepower With President Pick

Sports Illustrated | February 2023

Knight Commission CEO Amy Privette Perko is quoted about future priorities for new NCAA President Charlie Baker:

"It should be the first priority," Perko says, "to figure out the role of the NCAA and the responsibility of the NCAA with regards to the governance of FBS football. FBS governance is a mess. With the CFP expanding to generate \$2 billion annually outside of the NCAA, the issue of governance of that sport can no longer be punted."



Listen to the full **interview**.

Trusted Voices

Volt Higher Ed Trusted Voices podcast | March 6, 2023

Higher education experts Teresa Valerio Parrot and Erin Hennessy interview Knight Commission CEO Amy Privette Perko on the NCAA's new president, the rapidly evolving state of NIL, and seeking equity for the athlete experience in the NCAA postseason basketball tournaments.









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