FINANCIAL PROJECTIONS THROUGH 2032 FOR DIVISION I FBS PROGRAMS

Financial Analysis by CLA

Introduction and Afterword by Knight Commission on Intercollegiate Athletics

This report is structured in four major sections:

1. **Executive Summary**;
2. **Introduction** by the Knight Commission on Intercollegiate Athletics stating the reasons for this study and report;
3. **Financial Analysis** produced by CLA (CliftonLarsonAllen, LLP), a national financial services firm; and
4. **Afterword** by the Knight Commission that outlines recommended solutions.

Knight Commission On Intercollegiate Athletics
A PROJECT OF THE JOHN S. AND JAMES L. KNIGHT FOUNDATION

SEPTEMBER 2023

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Report updated November 2023.

Knight Commission On Intercollegiate Athletics

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EXECUTIVE SUMMARY

Financial Projections through 2032 for Division I FBS Programs

This report, based on an analysis from financial services firm CLA (CliftonLarsonAllen, LLP), presents financial projections through 2032 for Division I FBS public athletics programs.[1] Actual athletics revenue and expense data from these programs, along with new projected revenue, were used to model a future financial landscape for the coming decade. The results demonstrate that the continuation of well-established business-as-usual athletics spending patterns, with the influx of billions, will create a future at these public institutions that is entirely incongruent with the mission of college sports.

CLA's financial projections and analysis should shift the attention of Division I sports leaders from how much new revenue will be available in the coming decade to how that revenue should be used to better support Division I athletes. University presidents, conference commissioners, athletics directors, and the governing boards of the College Football Playoff (CFP) and the NCAA, all have a once-in-a-generation opportunity to alter the path of Division I sports. They must ensure that FBS institutions use their billions in new, uncommitted revenues to advance Division I's stated values of promoting athlete education, health, safety, well-being, and gender and racial equity.

Key observations from the financial analysis produced by CLA are on the following page.

Knight Commission Solutions

Recognizing this rare opportunity, the Knight Commission developed a series of solutions that address three key challenges in Division I:

1. **Use of Money.** Create new requirements that steer far more revenue directly to the education, health, safety, and well-being of college athletes, as well as to achieve equity across the board. On this point, recent drafts of federal legislation[2] by two different bipartisan groups of U.S. senators would both place new athlete-centric spending requirements on universities that meet specific athletics revenue thresholds, similar to proposals in our 2021 C.A.R.E. Model report;

2. **Alignment and Accountability.** Better align Division I sports with their governance, oversight, and financial accountability to redress the persistent misalignment between the NCAA's responsibility and authority for FBS football;[3] and,

3. **Incentives.** Alter national shared athletics revenue distribution to incentivize bedrock NCAA constitutional principles.[4]

The Knight Commission's solutions are detailed in the Afterword at the end of this report.

Institutional and conference office leaders can review their data by contacting the Knight Commission at info@knightcommission.org

1 This report and the CLA financial analysis takes into consideration publicly announced conference realignments as of September 1, 2023.

2 See articles on the "College Athletes Protection & Compensation Act" and the "Pass Act of 2023": "Three U.S. Senators unveil discussion draft of bill addressing NIL issues for NCAA athletes," USA TODAY, July 20, 2023 and "Pass Act aims to protect athletes, 'integrity' of college sports, *ESPN.com*, July 25, 2023.

3 FBS football is the only Division I sport for which the NCAA assumes responsibility and liability but does not control the national championship nor the distribution of its championship revenues.

4 Specifically, the NCAA constitutional principles of "The Primacy of the Academic Experience," "The Collegiate Student-Athlete Model," "Student-Athlete Well-Being," "Diversity, Equity, & Inclusion," and "Gender Equity."

EXECUTIVE SUMMARY

CLA Financial Analysis: Key Observations

CLA (CliftonLarsonAllen LLP) used athletics data from public FBS institutions to produce projections detailed in its 43-page analysis.

Projected Revenues

In 2032, total FBS annual athletics revenue from all sources at public institutions is projected to be **$20.9 billion**, and public institutions annual athletics revenue in the Autonomy 5 alone[5] is projected to be **$16.7 billion**.

2032 Projections for 54 Autonomy 5 Public Institutions

COMPENSATION & BENEFITS FOR		ATHLETE SCHOLARSHIPS & MEDICAL EXPENSES FOR
594 Football Coaches **$1.363 Billion**	vs.	30,000+ Athletes **$1.372 Billion**

Spending Comparisons

In fiscal year 2032, total compensation for 594 football coaches at 54 FBS public institutions in the Autonomy 5 conferences ($1.363 billion) will be just $9 million lower than spending on "athlete scholarships and medical expenses" combined ($1.372 billion) for more than 30,000 athletes across *ALL* sports at those institutions.[6]

Note: "Athlete Scholarships and Medical Expenses" includes institutional spending on tuition, fees, lodging, food, cost of attendance stipends, medical expenses, and insurance premiums.

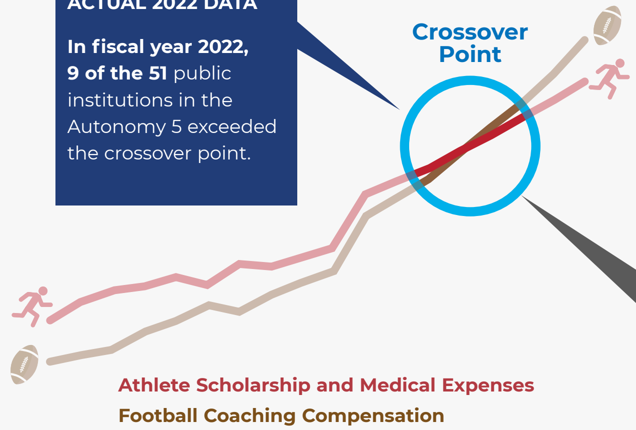
The "Crossover Point"

Over the next decade, an increasing number of institutions in Autonomy 5 conferences are projected to experience a "crossover point," where compensation for 11 "countable" football coaches per campus will exceed total institutional spending on "athlete scholarships and medical expenses" combined for *ALL* college athletes across *ALL* sports at that school.

Crossover Data for 54 Autonomy 5 Public Institutions

ACTUAL 2022 DATA

In fiscal year 2022, 9 of the 51 public institutions in the Autonomy 5 exceeded the crossover point.



PROJECTED 2032 DATA

In fiscal year 2032, 25 of the 54 public institutions in the Autonomy 5 (46%) are projected to surpass the crossover point:

SEC = 8

Big Ten = 8

Big 12 = 4

ACC = 4

PAC-12 = 1

Based on conference realignments announced as of September 1, 2023.

Click here for more details on the "crossover point" and a list of the institutions projected to exceed without changes to spending patterns.

5 NCAA bylaws classify the ACC, Big 12, Big Ten, PAC-12, and SEC as "Autonomy Conferences" and are granted the ability to set their own spending policies separate from the rest of Division I.

6 Permissible cash academic awards of up to $5,980 per athlete provided by institutions directly to athletes beginning FY2022 are not counted since the NCAA financial reports require that these expenses be grouped with "other expenses" in another general category, which does not allow the aggregate amounts of these specific awards to be captured.

Knight Commission On Intercollegiate Athletics
A PROJECT OF THE JOHN S. AND JAMES L. KNIGHT FOUNDATION

Introduction

This report, "Financial Projections through 2032 for Division I FBS Programs," is based on an analysis from financial services firm CLA (CliftonLarsonAllen, LLP).[1] Actual athletics revenue and expense data from these programs, along with new projected revenue, were used to model a future financial landscape for the coming decade.

CLA projects that the 2032 total annual athletics revenue generated by all FBS public institutions will increase to $20.9 billion, with a staggering $16.7 billion from athletics programs at 54 public institutions in the Autonomy 5 conferences.[2]

If today's well-established spending practices continue, billions in new revenue from the expanded College Football Playoff (CFP) and escalating conference media rights contracts will dramatically accelerate the cost spiral of exorbitant football coaching salaries and football coaching severance pay.

CLA's analysis captures recent conference realignments for Autonomy 5 institutions, including the impact of PAC-12 public schools that announced in 2023 they will leave, and in effect dismantle, their 108-year-old conference. These realignment decisions—and many others before them—were driven by the ongoing pursuit of more lucrative conference media contracts tied to big-revenue football, and not by what is in the best interest of athletes in all sports.

Division I presidents, athletics directors, and conference commissioners have a once-in-a-generation opportunity to stop the revenue chase and change the future outlined in this report. The projections make clear that moving forward with business-as-usual spending patterns of the past will create a future that is entirely incongruent with the mission of college sports.

College sports leaders must ensure that rapidly increasing revenues, especially in the Autonomy 5 conferences, are used to advance Division I's stated values of promoting athlete education, health, safety, well-being, and gender and racial equity—for college athletes in all sports.

The Knight Commission's solutions are summarized in the "Afterword" at the end of this report.

Background on Financial Projections

By fiscal year 2027, FBS programs will begin receiving well over a billion dollars in new and *uncommitted* revenue—an estimated additional $1.4 billion annually[3] just from an expanded 12-team CFP format. Additionally, several Autonomy 5 conferences have negotiated new media rights agreements that substantially boost their annual athletic revenues.

Given this incoming flood of new revenues, the Knight Commission asked the financial services firm CLA to develop projections on the impact of the new monies, using generally accepted accounting principles to assess institutionally-reported data for public FBS institutions collected in the Knight-Newhouse College Athletics Database.

The CLA analysis paints a picture of the financial landscape at public FBS institutions that is both illuminating and sobering.

Institutional and conference office leaders can review their data by contacting the Knight Commission at info@knightcommission.org

1 This report and the CLA financial analysis takes into consideration publicly-announced conference realignments as of September 1, 2023.

2 At the time of this report's publication, the following five conferences have special status in the NCAA governance and legislative processes as "Autonomy" conferences: ACC, Big 12, Big Ten, PAC-12, and SEC.

3 Revenue estimates sourced from Front Office Sports, "Expanded CFP Media Rights Could Double Current Deal," September 6, 2022. Article quotes Bob Thompson, former president of Fox Sports Networks, saying, "I think it will be north of $2 billion."

FBS Programs and FBS Autonomy 5 Conferences

FBS athletics programs are the focus of CLA's financial analysis since these programs will be the exclusive recipients of billions in new CFP revenue, and the purpose of this assessment is to project the impact of this new revenue. Through their conferences, these FBS institutions manage the CFP completely independent of the NCAA and none of the CFP revenue is controlled by the NCAA. The financial analysis provides a more detailed look at FBS institutions in Autonomy 5 conferences. These conferences have "autonomy" granted by NCAA bylaws[4] to set their own spending policies in a number of areas, separate from other FBS and Division I schools, and receive about 80 percent of the expanding CFP revenue distribution under the existing agreement.

Projected FBS Revenues in Fiscal Year 2032

With new lucrative revenue streams and the gradual escalation of existing revenue, CLA projects that the total annual athletics revenue in 2032 for FBS public schools will be $20.9 billion,[5] an increase of $11.3 billion over 2022 revenues ($9.6 billion).

» **Autonomy 5.** In 2032, total projected annual athletics revenue from all sources for 54 public institutions in Autonomy conferences[6] will be $16.7 billion—more than double the current annual athletics revenue from 51 of the same schools in 2022 ($7.3 billion). Nearly half (47%) of that projected revenue will come from the College Football Playoff (CFP), conference media rights and other conference revenue, and NCAA distributions.

CLA projects in 2032 that 54 public institutions in Autonomy 5 conferences will generate a staggering $16.7 billion in annual revenue from all sources—more than double the current annual revenue from 51 of the same schools in 2022 ($7.3 billion).

» **Group of 5.** By comparison, CLA projects that the schools in the Group of 5 conferences, or the remaining FBS conferences, will generate $3.8 billion in annual athletics revenue from all sources in 2032, an increase of $1.7 billion over the 2022 revenues ($2.1 billion). The largest revenue sources projected for these schools are institutional/government support and student fees, which collectively account for 50 percent of total athletics revenues.

» **Independents.** Public institutions with FBS football programs competing as independents are projected to generate the remaining $400 million of the total for all FBS programs.

The projected explosion of revenue, especially for the small subgroup of Autonomy 5 programs, triggers an important question of how new monies will be spent.

Projected Spending and Identification of the "Crossover Point"

The CLA financial analysis of projected spending highlights a looming "crossover point" where the compensation and benefits of the 11 head and assistant football coaches[7] at FBS Autonomy 5 programs exceed the total "athlete scholarships and medical expenses" for *ALL* athletes participating in *ALL* sports at their respective institutions. The amounts totaled in the calculation for "athlete scholarships and medical expenses" are comprehensive, and include

4 See NCAA Bylaw 9.02.1.1 (Area of Autonomy) and Bylaw 9.2.2 (Process for Areas of Autonomy).

5 This revenue projection assumes that public FBS institutions that currently charge athletics student fees or receive institutional funds for athletics will continue to do so; however, with the influx of new media revenue, institutions could seek to reduce or eliminate these charges and practices.

6 At the time of this report's publication, the future of the PAC-12 is uncertain but the public schools that are currently slated to be affiliated in 2032 if the "autonomy" conference status continues (i.e., Oregon State and Washington State) remain in this grouping for this projection.

7 As of 2022-23, NCAA rules allow one head coach and 10 assistant coaches for each FBS football team. The data in this report that refers to these 11 NCAA-permitted "coaches" (also called "countable coaches") is based on this number and not the compensation that may be paid to numerous other football support staff positions like directors of quality control, scouting, player development, etc.

tuition, fees, housing, food, books, cost of attendance stipends, medical expenses, and insurance coverage.[8] Reaching the crossover point counters the notion that FBS football operates as just another intercollegiate, education-based activity under the same organizational framework as other college sports programs.

Fiscal year 2022 data shows that nine public FBS Autonomy 5 athletics programs have already exceeded this crossover point. CLA projects that by fiscal year 2032, 25 of 54, or almost half (46%) of public FBS Autonomy 5 athletics programs for which data is available will exceed the crossover point.

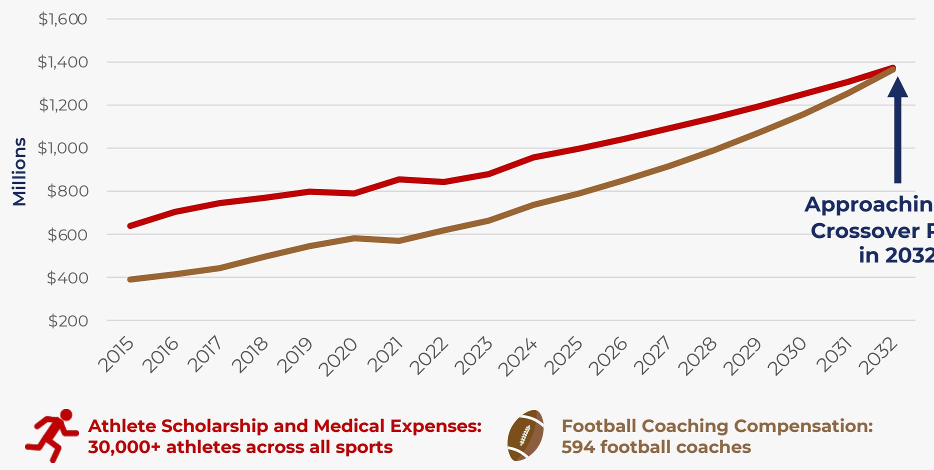
> **CLA projects that by fiscal year 2032, 25 of 54, or almost half (46%) of public FBS Autonomy 5 athletics programs for which data is available will exceed the crossover point.**

Examining the data in aggregate for FBS public institutions further emphasizes the urgency to change this trajectory. As seen in the graph that follows (Figure A), CLA projects in fiscal year 2032, 54 public programs in FBS Autonomy conferences will collectively compensate 594 football coaches to the tune of $1.363 billion. This extraordinary sum is just $9 million less than the total amount ($1.372 billion) spent on "athlete scholarships and medical expenses" for more than 30,000 athletes across *ALL* sports at those institutions.

CLA PROJECTION FIGURE A

Growth in Football Coaching Compensation vs. Athlete Expenses

2023-2032 Projections for Public FBS Autonomy 5 Institutions



These indefensible campus decisions to spend more on 11 football coaches than on the "athlete scholarships and medical expenses" for *ALL* athletes in *ALL* sports, are highlighted to emphasize the need for college sports leaders, and particularly university presidents who lead the CFP and the NCAA, to act now.

8 Permissible cash academic awards of up to $5,980 per athlete provided by institutions directly to athletes beginning FY2022 are not counted since the NCAA financial reports require that these expenses be grouped with "other expenses" in another general category, which does not allow the aggregate amounts of these specific awards to be captured.

A related aspect of football coaching compensation that should be addressed is severance pay. Annual severance pay for a small group of FBS football coaches is projected to jump to more than $175 million in fiscal year 2032 (using a conservative projection methodology), from $98 million in fiscal year 2022.

As the financial analysis in this report underscores, reform must happen *before* billions in new revenue flow into FBS programs—or college presidents, the CFP, and the NCAA will lose a rare opportunity, perhaps forever, to align the financial commitments and incentives with the educational values and principles of college sports as set forth in the NCAA Constitution.

Solutions

Recognizing this rare opportunity, the Knight Commission developed a series of solutions that address three key challenges in Division I:

1. The imbalanced uses of money and the cost spiral that results in football coaches being chief beneficiaries of new revenues;

2. The gaping disconnect between revenues, financial accountability, and governance in FBS football;

3. The failure of existing incentives in distributing shared athletics revenue to appropriately support NCAA constitutional principles.

The details of the Knight Commission's solutions are examined in the "Afterword," and it bears underscoring that these proposed actions do NOT require federal legislation. It is the responsibility of college sports leaders to implement these recommendations—or other alternatives—that will address these core challenges to the Division I model.

As Penn State President Emeritus Eric Barron summarized in a 2023 opinion piece in the *Sports Business Journal*: "A cardinal rule of college budgeting is that it is much easier to revamp spending priorities with new revenue than to reallocate existing spending."

That window of opportunity to redirect new and uncommitted revenue is closing fast. Without a decisive change in course in Division I athletics, that opportunity may vanish.

> "A cardinal rule of college budgeting is that it is much easier to revamp spending priorities with new revenue than to reallocate existing spending."
>
> —Eric Barron, President Emeritus, Penn State

CLA's financial analysis follows.

FINANCIAL ANALYSIS FOR

KNIGHT COMMISSION ON INTERCOLLEGIATE ATHLETICS REPORT

"FINANCIAL PROJECTIONS THROUGH 2032 FOR DIVISION I FBS PROGRAMS"

CliftonLarsonAllen LLP
CLAconnect.com

September 1, 2023

Amy Perko, Chief Executive Officer
Knight Commission on Intercollegiate Athletics
250 Tigertail Ave., Suite 600
Miami, FL 33131

Re: Financial Projections through 2032 for Division I FBS Programs

Dear Ms. Perko:

CliftonLarsonAllen LLP was retained by Knight Commission on Intercollegiate Athletics ("KCIA", "you", "your" or "the organization"), a program of the Knight Foundation, to provide an assessment of the impact of the expanded College Football Playoff and increased conference media revenue.

The purpose of this financial analysis is to summarize our work and findings.

We have performed our engagement in accordance with *Statement on Standards for Consulting Services, Consulting Services: Definition and Standards* (codified as CS Section 100 in *AICPA Professional Standards*) of the American Institute of Certified Public Accountants ("AICPA").

This financial analysis contains, and our work was undertaken to prepare, pro forma calculations regarding the impact of the expanded College Football Playoff and increased conference media revenue on college sports financial projections. No portion of our financial analysis or work should be understood to contain legal opinions or advice. The scope of our work is limited and does not include an audit, examination, review, or compilation of financial statements, as those terms are defined in standards promulgated by the American Institute of Certified Public Accountants, and accordingly we express no such opinion on the financial information or other information we received in the course of our work.

Other than the work documented in this financial analysis, we have not independently verified the accuracy of the information we considered or the underlying data.

This financial analysis is prepared in connection with the engagement referenced and should not be used for any other purpose.

Respectfully submitted,

Matthew Borchardt, CPA, MA
Principal

This financial analysis was prepared in collaboration with the Knight Commission on Intercollegiate Athletics and Jodi Upton, Project Manager of the Knight-Newhouse College Athletics Database.

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INTRODUCTION

OVERALL PURPOSE

The chief purpose of CLA's assessment was to project athletics revenue and spending through fiscal year 2032 by public Division I Football Bowl Subdivision (FBS) institutions, taking into account additional revenue resulting from the expanded College Football Playoff (CFP) and conference media contracts.

GOALS

The goals of the assessment were to:

A. Identify how financial trends for public Division I FBS institutions can be used to project future athletics program spending.

B. Evaluate future spending related to select expense categories: coaching compensation, coaching severance pay, and the direct athlete benefits of scholarships, cost of attendance stipends, medical expenses, and insurance coverage.

C. Project athletics revenue from all sources for FBS institutions and conferences.

PROCESS

To achieve this purpose and fulfill these goals, CLA built a financial modeling tool that has the capability to consider various methodologies in making projections, as well as analyze data by individual schools and conferences. This financial analysis is a summary of the key findings from the financial modeling and resulting assessment.

This financial analysis is based on the assumption that recent historical trends in operating revenue and operating expenses at FBS institutions will continue for the next ten years. The data is drawn from institutionally-reported data on NCAA financial reports for FBS public institutions that is organized on the Knight-Newhouse College Athletics Database for the fiscal years 2005 through 2022.

GOAL A: FINANCIAL TRENDS TO PROJECT FBS SPENDING

CLA was asked to explore how financial trends can be used to project future athletic spending.

CLA modeled athletics spending at public Division I FBS institutions through 2032, taking account of new additional revenue from expanding the College Football Playoff (CFP) and from new conference media contracts.

This financial analysis developed expense projections for FBS institutions in three areas:

1) Compensation for the 11 "head and assistant" football coaches currently allowed under NCAA rules and separately for NCAA permissible coaches[1] in all other sports (non-football coaches);
2) Direct athlete benefits provided by the institution through scholarships (i.e., tuition, fees, housing, food, and books), cost of attendance stipends, medical expenses, and insurance coverage (referenced throughout this financial analysis as "athlete scholarships and medical expenses"); and,
3) Severance paid to FBS football coaches.

The financial analysis also includes projections about a "crossover point" when total compensation for 11 football coaches on each FBS campus may exceed the "athlete scholarships and medical expenses" for all athletes in all sports at FBS institutions.

This assessment projects athletics spending for public institutions in FBS conferences through 2032, and it provides a more in-depth look at institutions in Autonomy 5 FBS conferences. These conferences have "autonomy" under NCAA rules to set policies separate from other FBS and Division I conferences in a number of significant spending categories.[2] Also, independent of the "special" status bestowed on these conferences and their member institutions in NCAA rulemaking, these conferences receive the vast majority (80%) of the CFP revenue distribution under an existing revenue distribution agreement.

The assessment also works from the assumption that the compound annual growth in revenue and expenses in athletics programs at public FBS institutions from fiscal year 2015 to fiscal year 2022 can be applied to project likely future revenue and expenses, starting in fiscal year 2023.

While growth trends over three different periods of time and a % of revenue methodology were analyzed (and are explained in this financial analysis), the decision was made to use the compound growth rate from fiscal year 2015 to fiscal year 2022 in the final projections and in more detailed

[1] The institutionally-reported data for coaching compensation in all sports except football includes the number of NCAA permissible coaches for each sport according to NCAA policy in place up to and during fiscal year 2022.
[2] NCAA Bylaw 9.2.2.1.2 states the following: "The Atlantic Coast Conference, Big Ten Conference, Big 12 Conference, PAC-12 Conference and Southeastern Conference and their member institutions are granted autonomy in the following areas to permit the use of resources to advance the legitimate educational or athletics-related needs of student-athletes and for legislative changes that will otherwise enhance student-athlete well-being."

analyses. This selected range (FY2015 to FY2022) captures the inaugural 2015 CFP championship revenue up to the most recently available data, including the down spending years of COVID, which resulted in more conservative projections. Fiscal year 2022 is used as the baseline year for actual data, and projections begin in fiscal year 2023.

For the Autonomy 5 public institutions, CLA evaluated two different methodologies to identify the best approach to understand the impact of CFP revenue on future spending. One methodology projected all future expenses based on historical growth trend. The other methodology projected football coaching compensation based on the fiscal year 2022 percent of revenue and all other expenses[3] on a historical growth trend. Both methodologies are explained below.

Historical Growth Trend:
CLA evaluated three growth trends over different periods of time to identify the best approach to understand the impact of CFP revenue on future spending. The following fiscal year ranges were considered:

1. A compound growth rate from fiscal year 2015 to fiscal year 2022: This range allows fiscal year 2015 to be used as the starting point, which was the year the CFP began, and continues to fiscal year 2022, incorporating the most recent fiscal year data for which data is available. The average compound annual growth rate for football coaching compensation, non-football coaching compensation, and athlete scholarships/medical expenses were 7%, 6%, and 5%, respectively.

2. A compound growth rate from fiscal year 2015 to fiscal year 2019: This range factors out the impact of the COVID years (fiscal years 2020 and 2021), which are anomalies with significant decreases in revenue and spending. The average compound annual growth rate for football coaching compensation, non-football coaching compensation, and athlete scholarships/medical expenses were 9%, 7%, and 6%, respectively.

3. A compound growth rate from fiscal year 2011 to fiscal year 2022: This range provides the largest range of data, spanning twelve years, which includes four fiscal years without CFP revenue. The average compound annual growth rate for football coaching compensation, non-football coaching compensation, and athlete scholarships/medical expenses were 8%, 6%, and 5%, respectively.

2022 % of Revenue
CLA also evaluated a methodology that projected football coaching compensation starting in fiscal year 2023 based on football coaching compensation as a percentage of revenue in fiscal year 2022. This methodology assumes that football coaching compensation matches the rate of the rising revenue.

[3] Football coaching compensation was the only expense category selected for the % of revenue methodology since data show that such compensation generally rose with revenue growth. By comparison, athletics scholarships are regulated by NCAA policy and were therefore not selected for the % of revenue methodology.

The average football coaching compensation as a % of revenue in fiscal year 2022 was 8.5%, but each school's specific % of revenue was applied to the projections. Using this methodology, CLA's model projected that the Autonomy 5 public institutions total revenue would reach $16.65 billion in fiscal year 2032 and football coaching compensation would be $1.043 billion.

For a more detailed discussion of assumptions and various methodologies used in CLA's model, see Appendix A.

GOAL B: ASSESSMENT OF SELECT EXPENSE CATEGORIES

CLA was asked to evaluate future spending related to select expense categories: coaching compensation, coaching severance pay, and the direct athlete benefits of scholarships, cost of attendance stipends, medical expenses, and insurance coverage.

This assessment analyzed the growth of coaching compensation (both football and non-football) relative to the growth of the athlete benefits of scholarships[4], medical expenses, and insurance coverage.

The comparison of coaching compensation to "athlete scholarships and medical expenses" focuses on the Autonomy 5 public institutions overall, with an examination of institutional and conference projections since the vast majority of new revenue will flow to these schools. This analysis found that there are institutions where football coaching compensation already exceeds the overall amount spent on "athlete scholarships and medical expenses." This analysis also found significant variations in these data and crossover points by FBS institutions and conferences.

An analysis of coaching severance is also presented in this section.

METHODOLOGIES APPLIED TO AUTONOMY 5 PUBLIC INSTITUTIONS [5] (Data includes 51 public schools of 65 FBS schools in FY2022, and adjusts member composition appropriately in future years)

The graphs below show data for all the Autonomy 5 public institutions using the three different compound growth rates and the 2022 % of revenue methodology. It is notable that the football coaching compensation reflects the baseline compensation, adjusted for projected growth, for just 11 football coaches at each of the 51 Autonomy 5 public institutions in the dataset for a total of 561 coaches in fiscal year 2022. Those numbers increase to 54 public schools and 594 coaches with the addition of three FBS public schools to an Autonomy 5 conference in fiscal year 2024 and beyond.[6]

[4] The principal components of athletics scholarships are tuition, fees, housing, food, books and cost-of-attendance stipends as reported by institutions per the NCAA financial reporting instructions. Permissible cash academic awards of up to $5,980 per athlete provided by institutions directly to athletes beginning FY2022 are not counted since the NCAA financial reports require that these expenses be grouped with "other expenses" in another general category, which does not allow the aggregate amounts of these specific awards to be captured.

[5] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments as well as details on the timing of three public schools that will join the "Autonomy 5" for the first time. In the data analysis, each school is represented in the appropriate conference it will be in for the fiscal years displayed.

[6] With the August and September 2023 changes to the PAC-12 conference membership, it is uncertain as of the publication date of this analysis that this conference will meet the NCAA criteria to maintain its Autonomy 5 status in 2024 and beyond. However, Oregon State University and Washington State University continue to be considered in this grouping based upon their current status.

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

This figure shows that in fiscal year 2032, football coaching compensation is projected to be $1.363 billion for the Autonomy 5 public institutions. This amount is just $9 million lower than that the fiscal year 2032 projection of "athlete scholarships and medical expenses" at $1.372 billion.

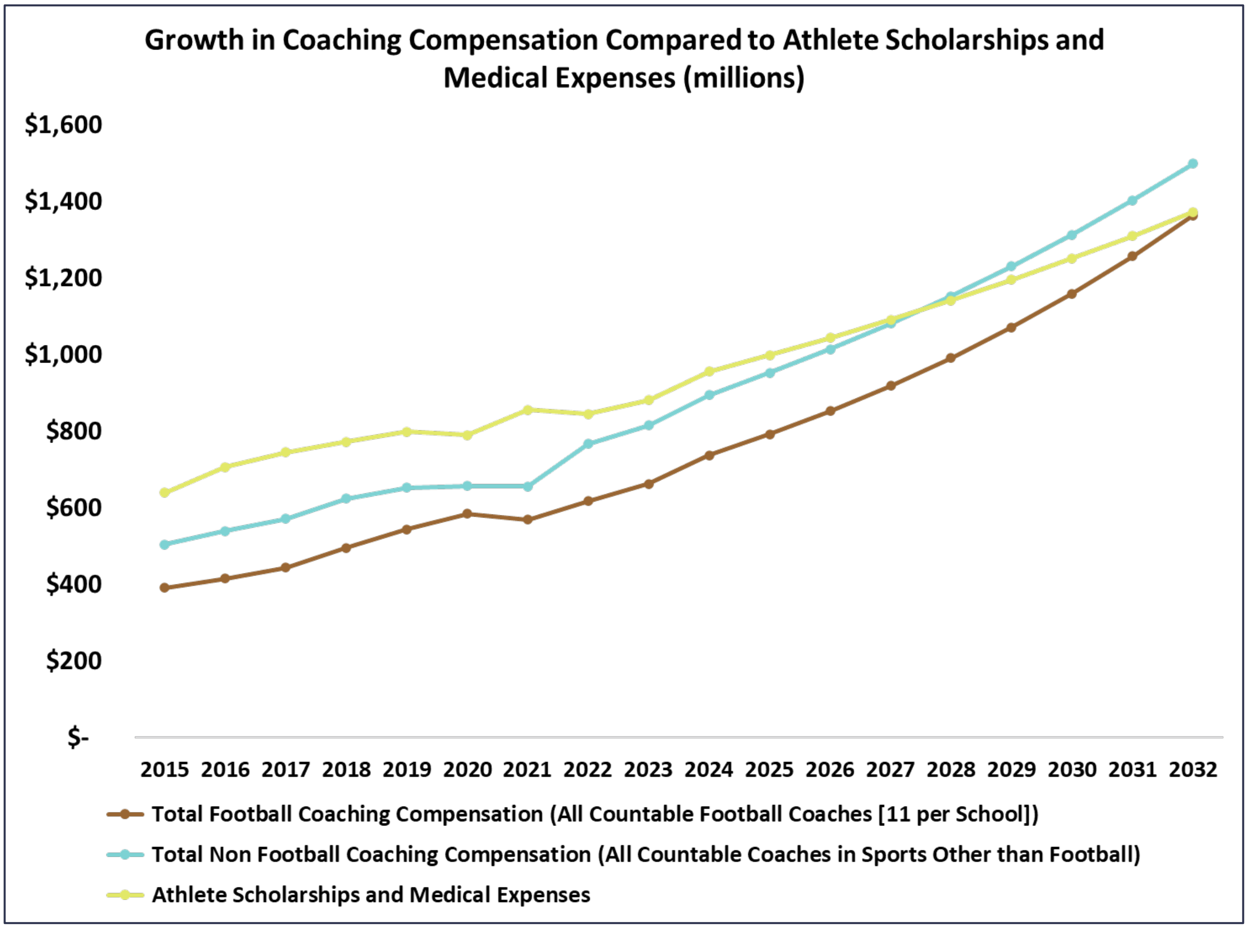

Figure 1: Autonomy 5 Public Institutions Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2019

This figure shows that football coaching compensation will exceed "athlete scholarships and medical expenses" starting in fiscal year 2031 at Autonomy 5 public institutions. These projections factor out the impact of COVID-19.

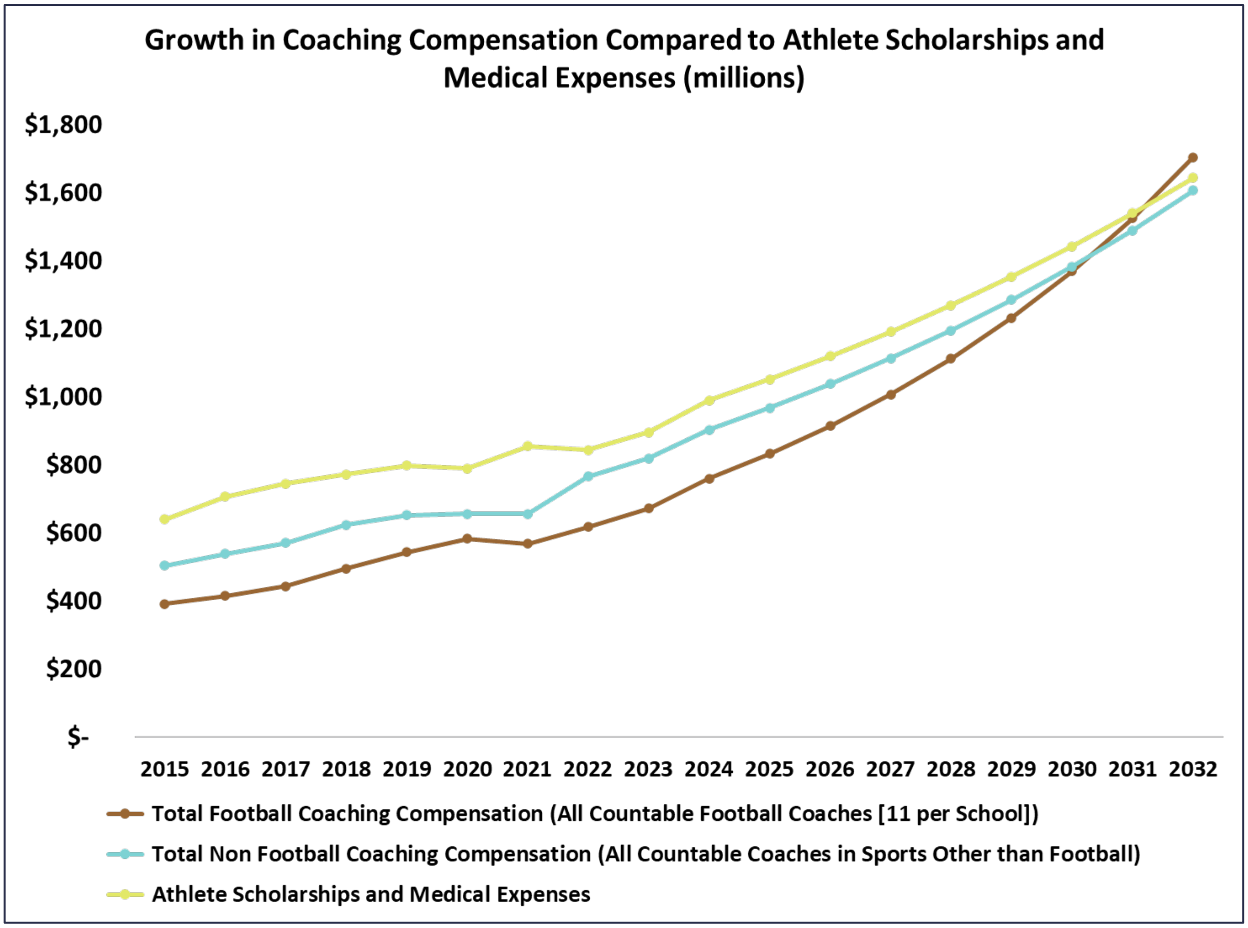

Figure 2: Autonomy 5 Public Institutions Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2019

Projections based on compound growth rate from fiscal year 2011 to fiscal year 2022

This projection, based upon the longest compound growth rate calculation dating back to 2011, shows that in fiscal year 2032, football coaching compensation at Autonomy 5 public institutions is projected to be $1.408 billion—an amount that exceeds the projection for total spending on all "athlete scholarships and medical expenses" in all sports by $3 million.

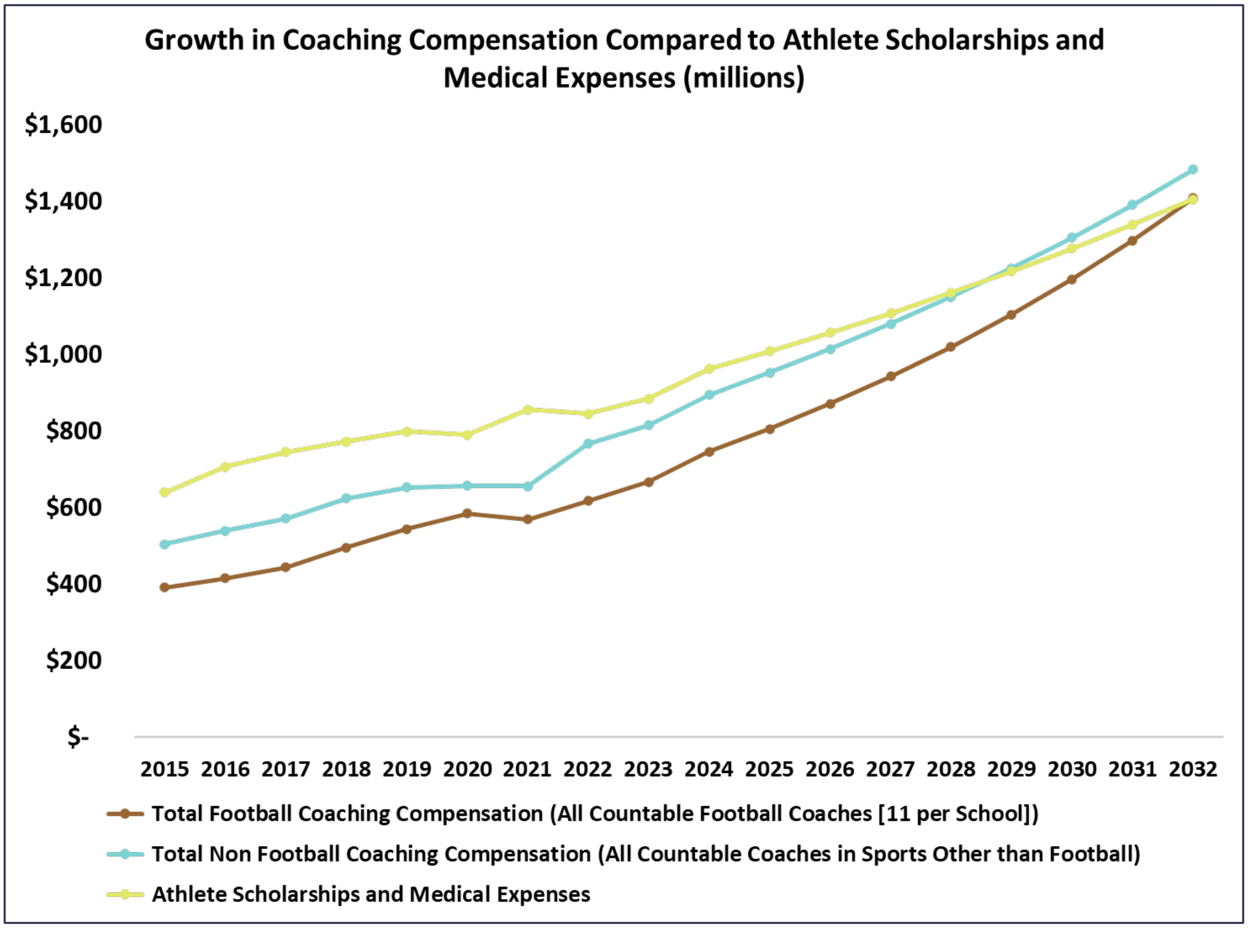

Figure 3: Autonomy 5 Public Institutions Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based on compound growth rate from fiscal year 2011 to fiscal year 2022

Projections based on 2022 % of Revenue for Football Coaching Compensation and compound growth rate from fiscal year 2015 to fiscal year 2022 for Non-Football Coaching Compensation and Athlete Scholarships and Medical Expenses

This figure shows that in fiscal year 2032, football coaching compensation at Autonomy 5 public institutions is projected to be $1.413—an amount that exceeds the projection for "athlete scholarships and medical expenses" by $41 million.

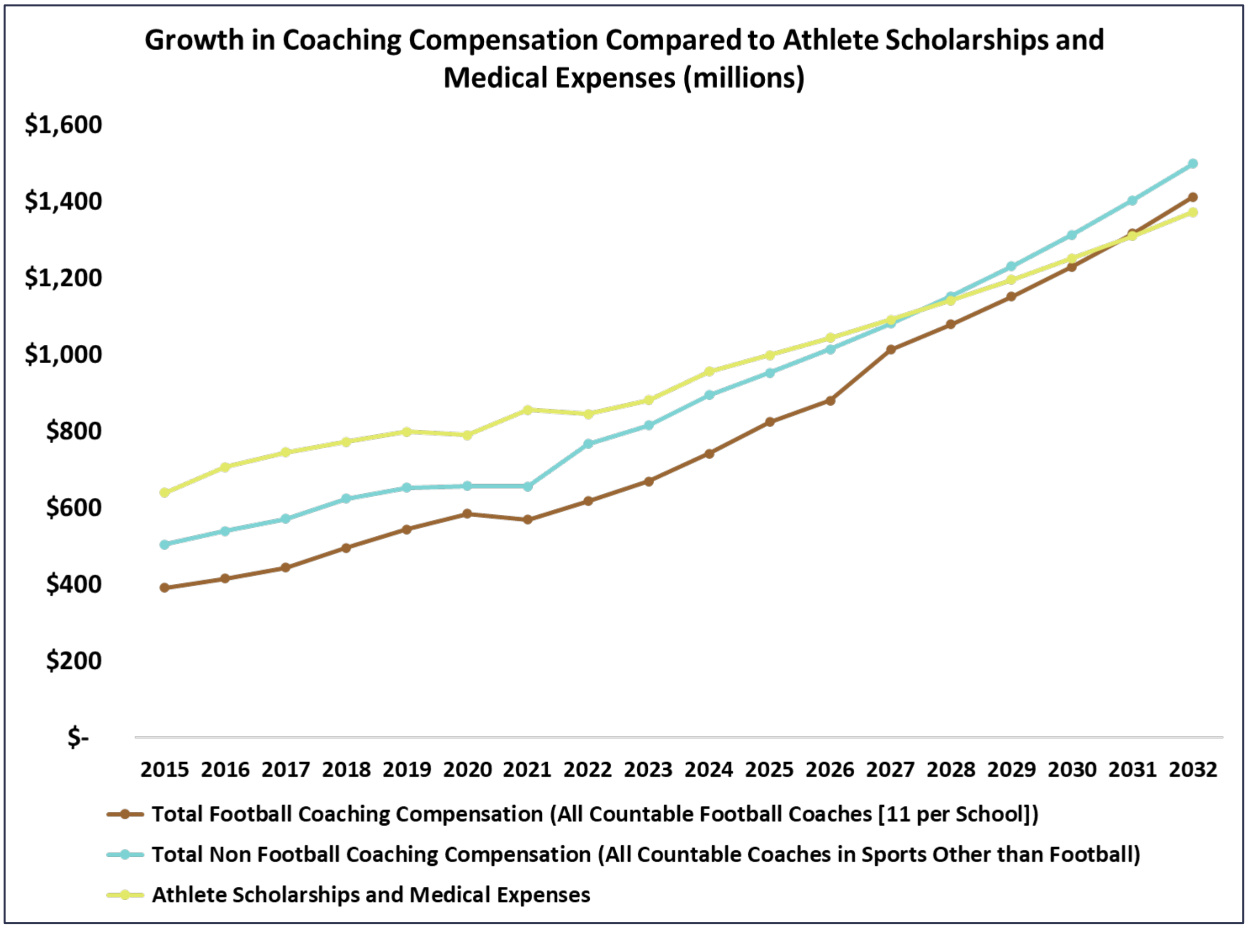

Figure 4: Autonomy 5 Public Institutions Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based an 2022 % of Revenue for Football Coaching Compensation and compound growth rate from fiscal year 2015 to fiscal year 2022 for Non-Football Coaching Compensation and Athlete Scholarships and Medical Expenses

Additional analyses and observations using the selected compound growth rate from fiscal year 2015 through 2022 for Autonomy 5 public institutions.

The following pages include additional analyses and observations of data at the conference and institutional levels for Autonomy 5 public institutions.

As noted earlier in this financial analysis, the selected range (fiscal year 2015 to fiscal year 2022) captures spending beginning with the inaugural CFP revenue up to the most recently available data, including the down spending years of COVID, resulting in more conservative projections. Fiscal year 2022 is used as the baseline year for actual data, and projections begin in fiscal year 2023.

Appendices to this financial analysis include the following details related to the conference level analyses:

Appendix C: Autonomy 5 public institutions and realignments

Appendix D: Number of institutions within each conference that exceed a "crossover point," when football coaching compensation exceeds spending on "athlete scholarships and medical expenses."

SOUTHEASTERN CONFERENCE

(Data includes 13 public schools in the 14-member conference in FY2022, and increases to 15 public schools in the 16-member conference in future years)[7]

Starting in fiscal year 2028, it is projected that football coaching compensation will exceed "athlete scholarships and medical expenses" in the Southeastern Conference (SEC). Institutionally-reported data demonstrate that for 4 of the 13 public schools included in the analysis, football coaching compensation exceeded "athlete scholarships and medical expenses" in fiscal year 2022. This number is projected to increase to 8 of the 15 schools in fiscal year 2032. See Appendix D for further detail on the "crossover point," when football coaching compensation exceeds "athlete scholarships and medical expenses."

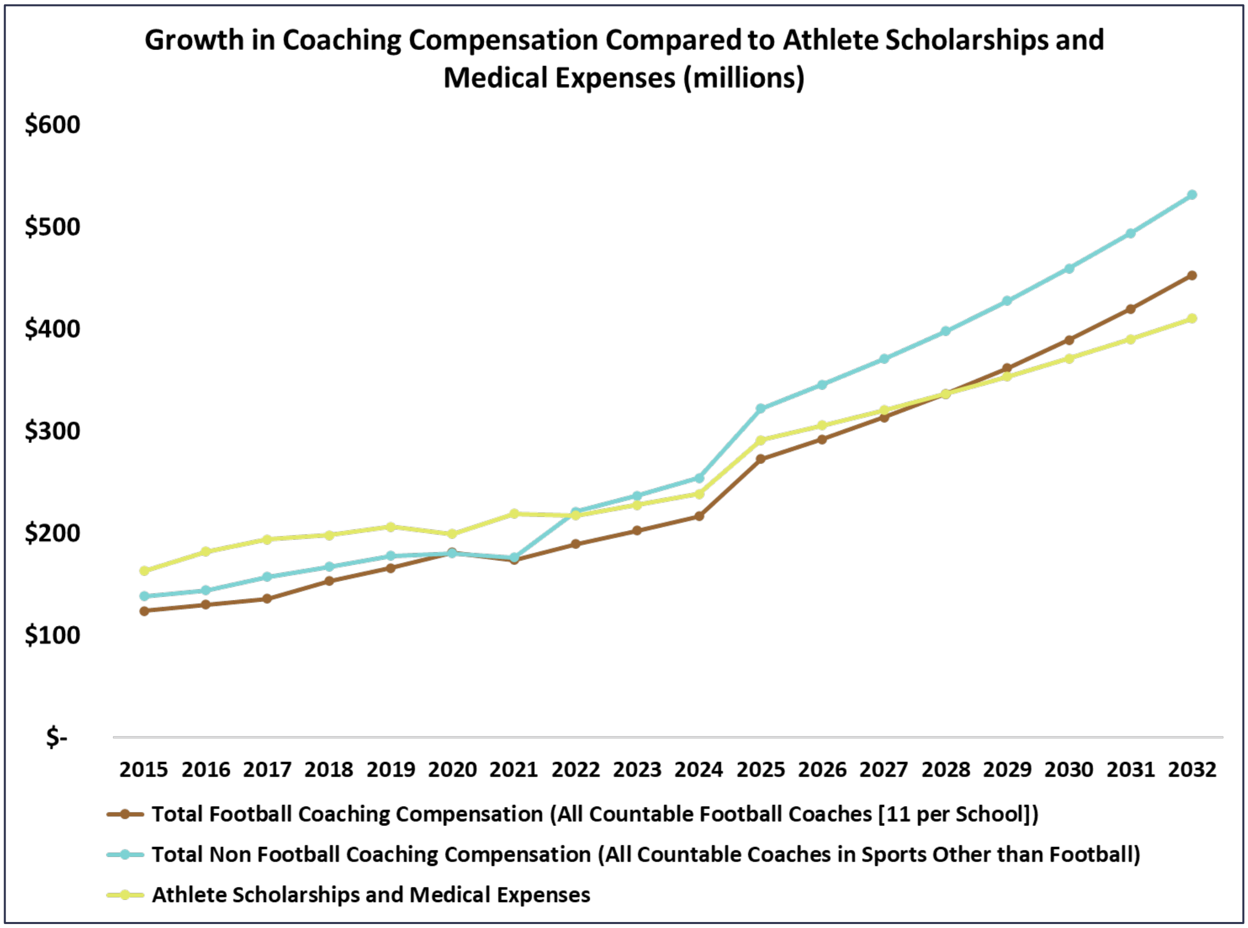

Figure 5: SEC Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

[7] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments. Each fiscal year shown on the graph takes into consideration known conference realignments as of September 1, 2023.

BIG TEN CONFERENCE

(Data includes 12 public schools in the 14-member conference in FY2022, and increases to 15 public schools in the 18-member conference in future years)[8]

For the Big Ten, football coaching compensation is projected to exceed "athlete scholarships and medical expenses" in fiscal year 2031. Institutionally-reported data demonstrate that for 1 of the 12 public schools included in the analysis, football coaching compensation exceeded "athlete scholarships and medical expenses" in fiscal year 2022. This number is projected to increase to 8 of the 15 public schools in fiscal year 2032. See Appendix D for further detail on the "crossover point," when football coaching compensation exceeds "athlete scholarships and medical expenses."

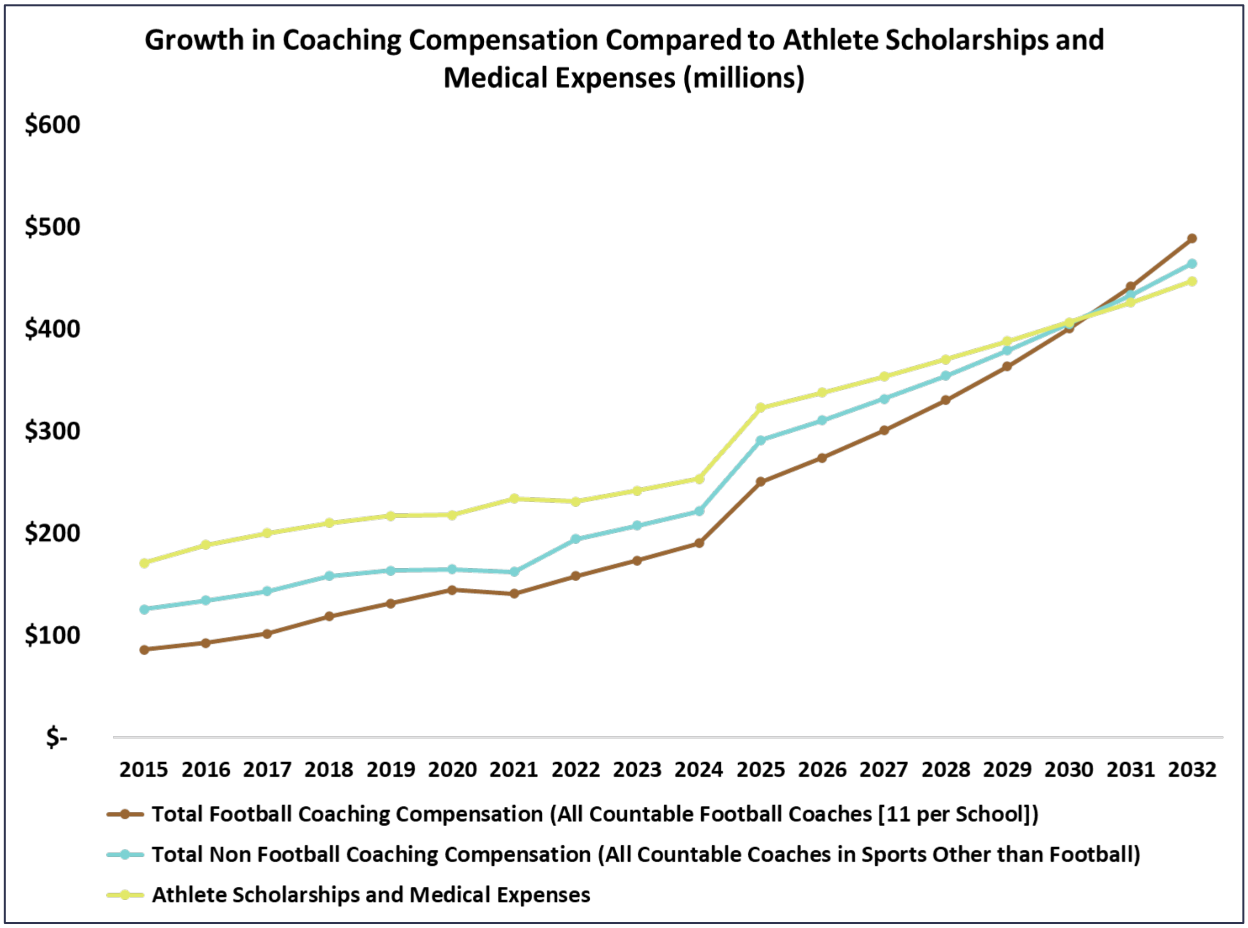

Figure 6: Big Ten Coaching Compensation vs. Athlete Scholarships and Medical Expenses
Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

[8] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments. Each fiscal year shown on the graph takes into consideration known conference realignments as of September 1, 2023.

BIG 12 CONFERENCE

(Data includes 8 public schools in the 10-member conference in FY2022, and increases to 13 public schools in the 16-member conference in future years)[9]

The Big 12 Conference overall shows "athlete scholarships and medical expenses" remaining above football coaching compensation through fiscal year 2032. However, institutionally-reported data demonstrate that for 3 of the 8 public schools included in the analysis, football coaching compensation exceeded "athlete scholarships and medical expenses" in fiscal year 2022. This number is projected to be 4 of the 13 public schools in fiscal year 2032. See Appendix D for further detail on the "crossover point," when football coaching compensation exceeds "athlete scholarships and medical expenses."

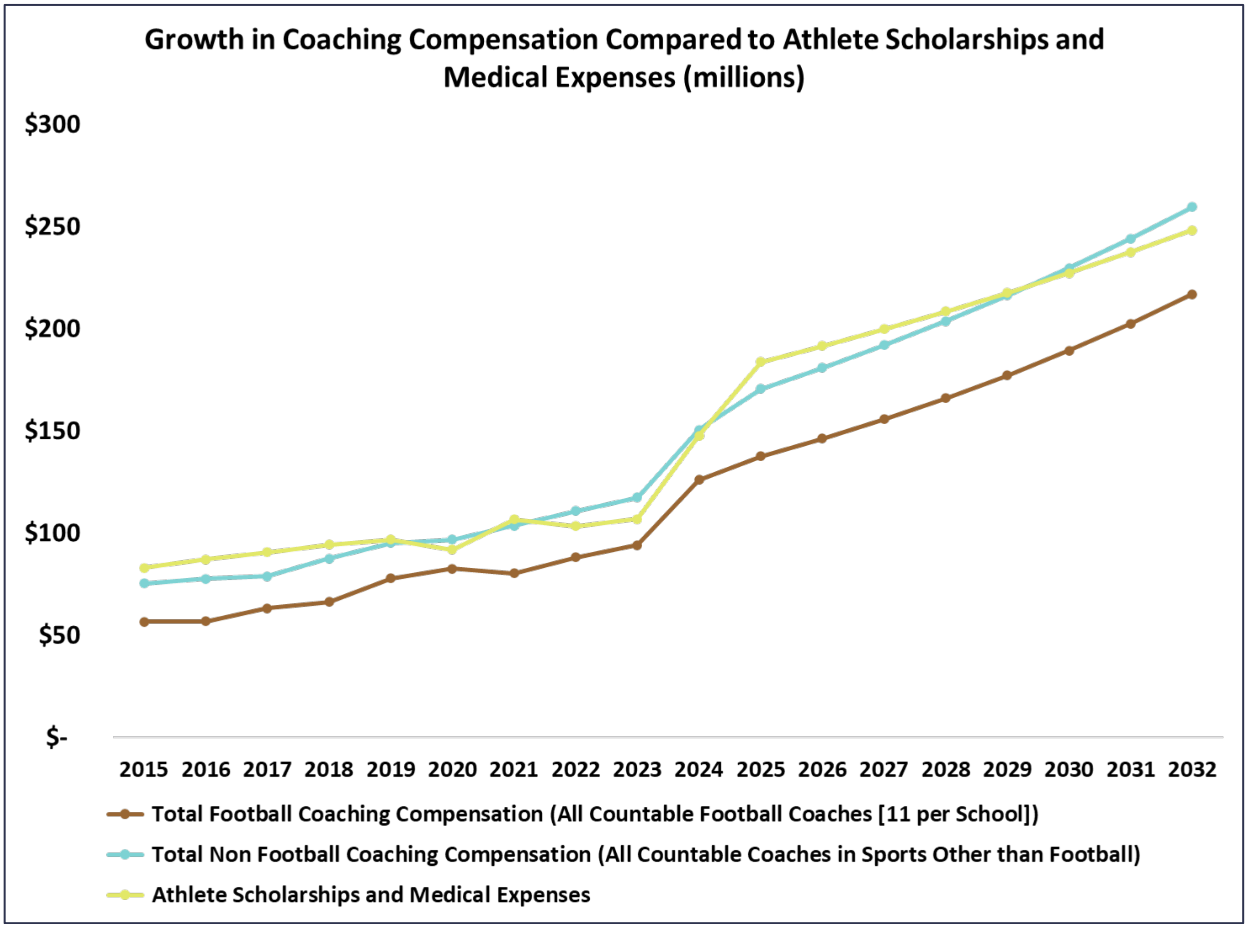

Figure 7: Big 12 Coaching Compensation vs. Athlete Scholarships and Medical Expenses
Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

[9] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments. Each fiscal year shown on the graph takes into consideration known conference realignments as of September 1, 2023.

ATLANTIC COAST CONFERENCE
(Data includes 8 public schools in the 14-member conference in FY2022)[10]

The Atlantic Coast Conference (ACC) overall shows "athlete scholarships and medical expenses" remaining above football coaching compensation through fiscal year 2032. However, institutionally-reported data demonstrate that for 1 of the 8 public schools included in the analysis, football coaching compensation exceeded "athlete scholarships and medical expenses" in fiscal year 2022. This number is projected to increase to 4 of the 9 public schools in fiscal year 2032. See Appendix D for further detail on the "crossover point," when football coaching compensation exceeds "athlete scholarships and medical expenses."

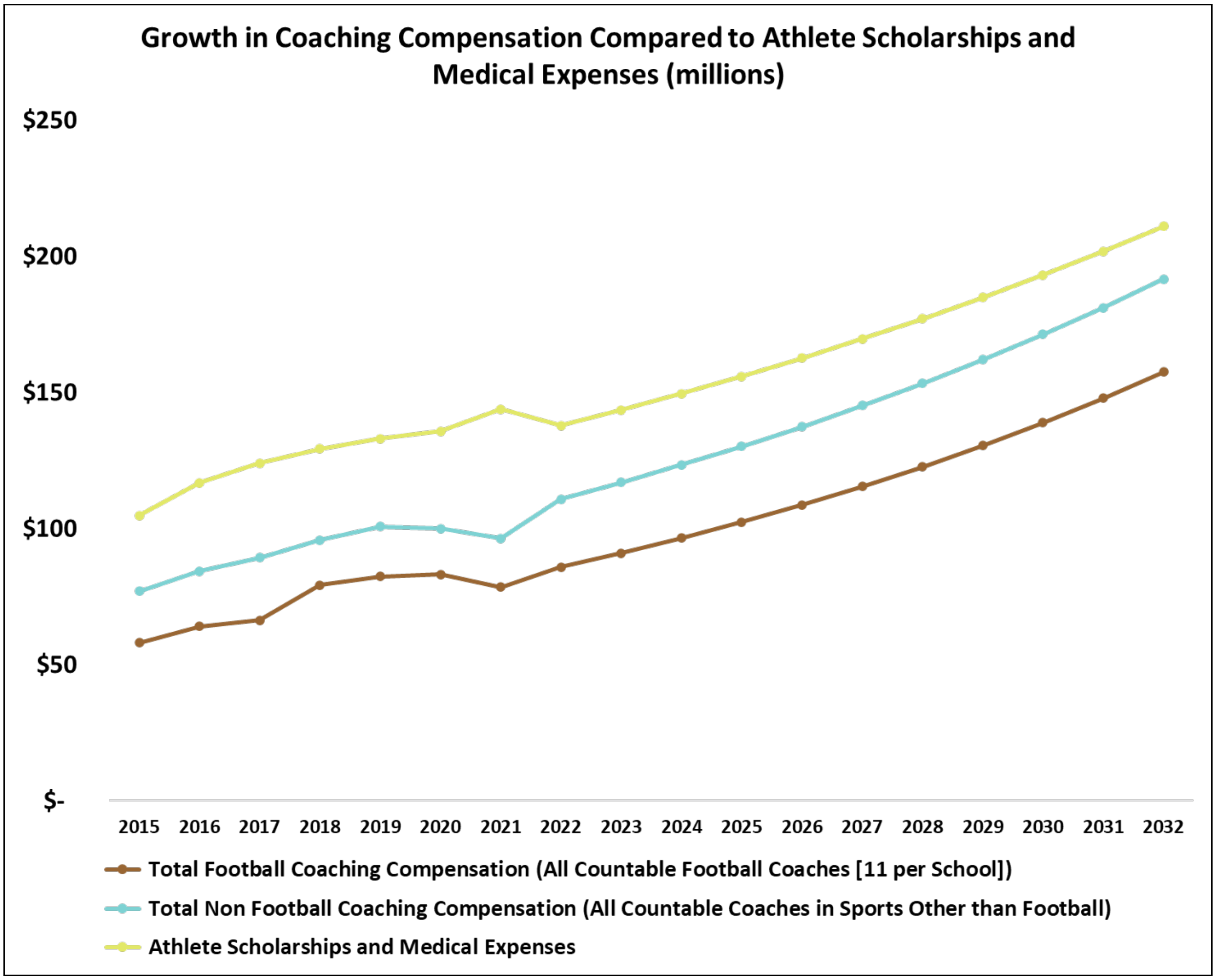

Figure 8: ACC Coaching Compensation vs. Athlete Scholarships and Medical Expenses
Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

[10] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments. Each fiscal year shown on the graph takes into consideration known conference realignments as of September 1, 2023.

PACIFIC-12 CONFERENCE

(Data includes 10 public schools in the 12-member conference in FY2022, and analysis for the PAC-12 ends in FY2024)[11]

For the Pacific-12 Conference (PAC-12) football coaching compensation remains below "athlete scholarships and medical expenses" for the conference overall through fiscal year 2024. However, institutionally-reported data demonstrate that for 1 of the 10 schools included in the analysis, football coaching compensation exceeded "athlete scholarships and medical expenses" for fiscal year 2021 but then fell below the crossover points for fiscal year 2022. See Appendix D for further detail on the "crossover point," when football coaching compensation exceeds "athlete scholarships and medical expenses."

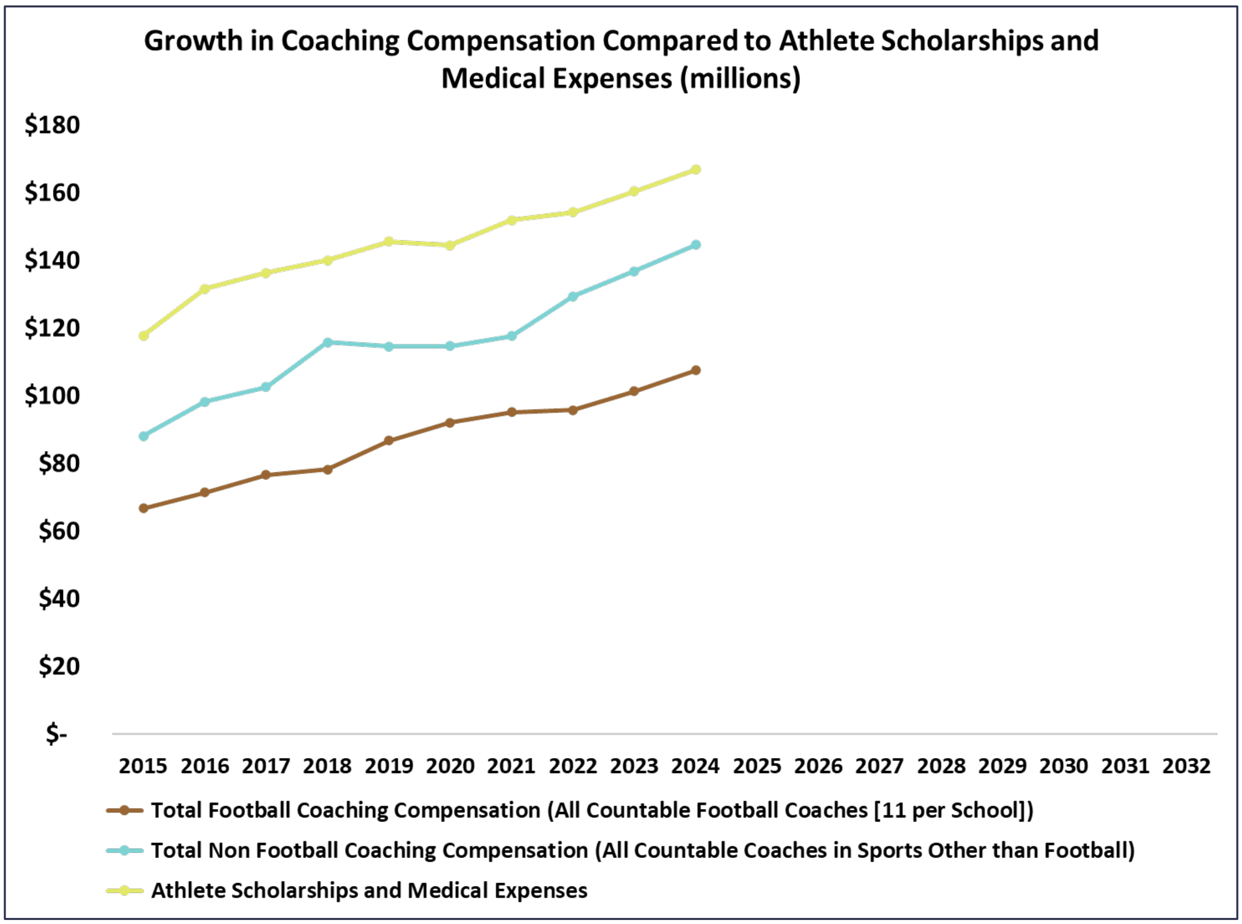

Figure 9: PAC-12 Coaching Compensation vs. Athlete Scholarships and Medical Expenses

Projections based on compound growth rate from fiscal year 2015 to fiscal year 2022

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[11] Projections are not shown for the PAC-12 Conference as a group after fiscal year 2024 since as of the publication date of this analysis, the PAC-12 Conference will not have enough schools to meet NCAA criteria for FBS Conference status. This status could change with the addition of eligible institutions as members.

FBS FOOTBALL HEAD AND ASSISTANT FOOTBALL COACHING SEVERANCE

CLA took two different approaches to assess projections for severance pay for all FBS football coaches through fiscal year 2032, with both projections showing significant increases in severance packages. Two projections were used to better understand the possible outcomes of football coaching severance.

- In the first approach, the projections were developed using football coaching severance as a percentage of revenue from the fiscal years 2015-2022. When projected through fiscal year 2032, this "percentage of revenue methodology" shows football coaching severance reaching $175 million.
- In the second approach, the projections were developed using the growth rate in severance packages from fiscal years 2015-2022. This "growth rate methodology" shows football coaching severance reaching $481 million by fiscal year 2032.

Both projections are shown in Figure 10 below.

FBS Institutions – Fiscal Year 2023 – 2032 Projections

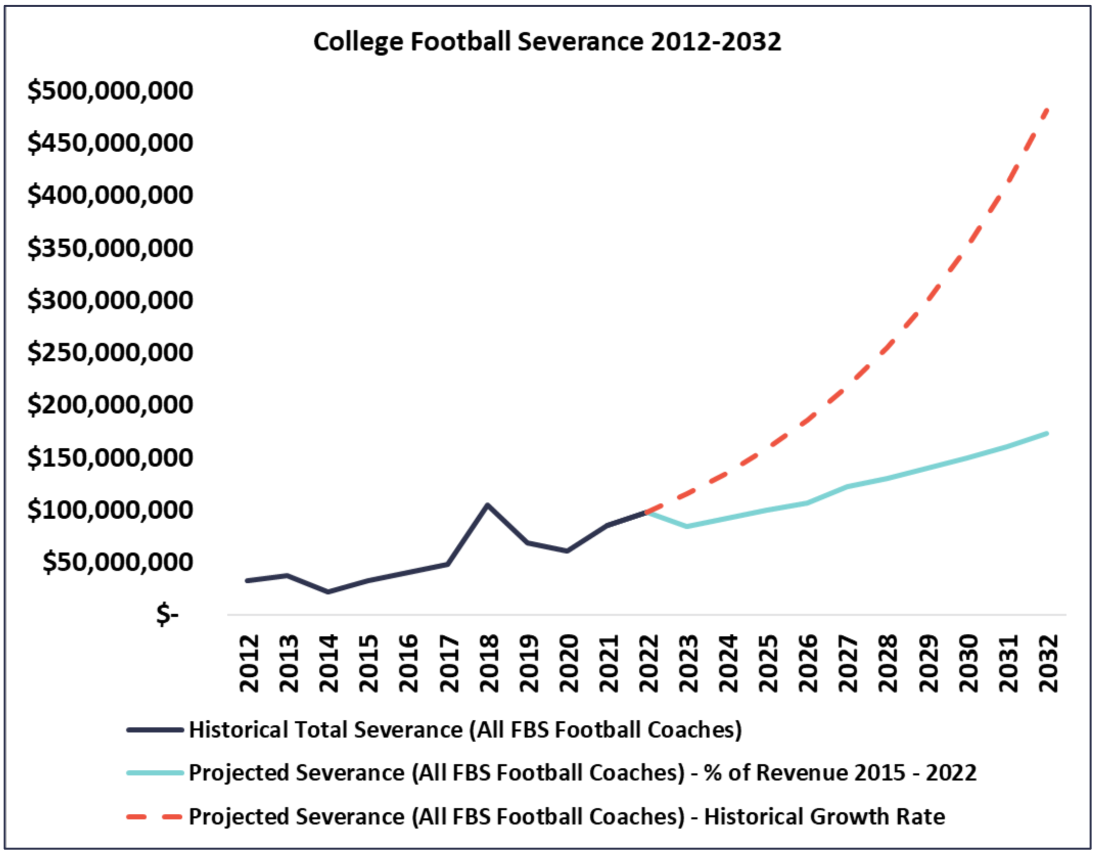

Figure 10: Projected College Football Severance at FBS Institutions

GOAL C: FBS REVENUE 2032 PROJECTION

CLA was asked to project athletics revenue from all sources for FBS institutions and conferences.

CLA's assessment considers historical trends and anticipated additional revenue from the expanded CFP and media contracts to project athletics revenue for FBS schools through fiscal year 2032.

See appendix A for a detailed discussion regarding the assumptions and methodology used to make the future athletics revenue projections.

Total projected athletics revenue[12] is shown for FBS schools and is also broken down into the Autonomy 5 public institutions and Group of 5 Conferences in the graphs that follow.

[12] Total athletics revenue includes NCAA/Conference Distributions, Media Rights, and CFP/Post-Season Football; Corporate Sponsorship, Advertising, Licensing; Donor Contributions; Competition Guarantees; Ticket Sales; Institutional/Government Support; Student Fees; and Other Revenue. See Appendix A for definitions of these revenue sources.

PROJECTED TOTAL ANNUAL ATHLETICS REVENUE FOR FBS SCHOOLS[13] AS OF FY2022 (Data includes 102 public schools of 130 FBS schools in FY2022)

Total annual athletics revenue for FBS public schools is projected to be $20.9 billion in fiscal year 2032. This is an increase of $11.3 billion from fiscal year 2022, which was $9.6 billion. Total annual athletics revenue for FBS schools is projected to more than double in 10 years. Revenue from Conference and NCAA Distributions, Media Rights, and CFP/Post-Season Football is projected to make up 41% of the total athletics revenue in fiscal year 2032.

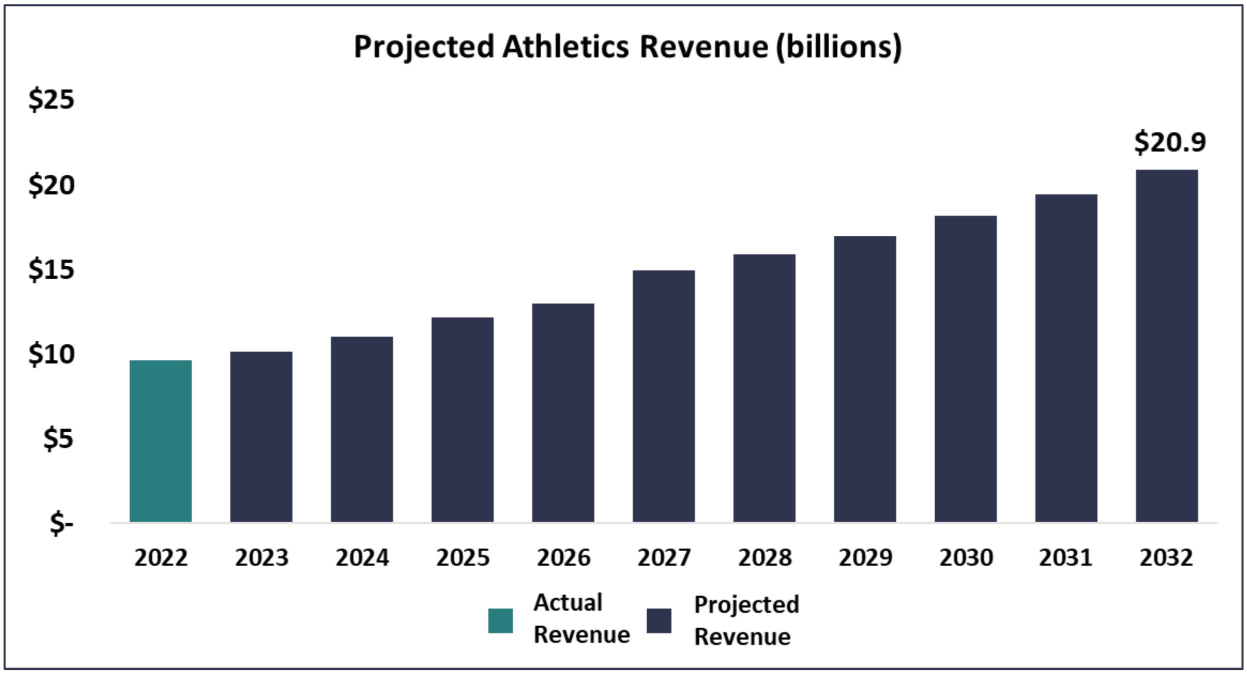

Figure 11: Projected Athletics Revenue for All FBS Schools

[13] See appendix B for the specific schools included in data. Only public schools that met all criteria for full FBS membership as of FY2022, including FBS public schools classified as Independent (not affiliated with an FBS conference), are found in the data set.

PROJECTED TOTAL REVENUE FOR INSTITUTIONS IN AUTONOMY 5 CONFERENCES[14] (Data includes 51 public schools of 64 FBS schools in FY2022, and adjusts member composition appropriately in future years)

Total annual athletics revenue for Autonomy 5 public institutions is projected to be $16.7 billion in fiscal year 2032.[15] This is an increase of $9.4 billion from fiscal year 2022, which was $7.3 billion. Revenue from Conference and NCAA Distributions, CFP/Post-Season Football, and Media Rights is projected to make up 47% of the total athletics revenue in fiscal year 2032. Donor contributions and ticket sales are the next largest sources of revenue making up 20% and 10%, respectively.

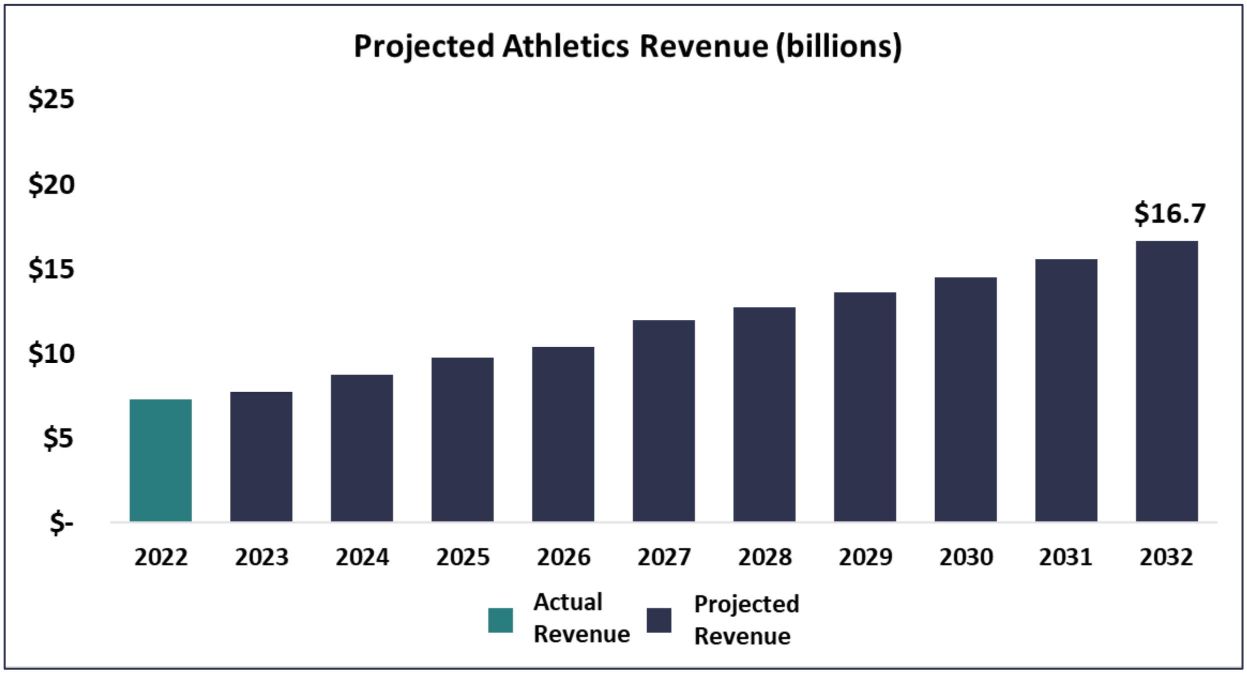

Figure 12: Autonomy 5 Public Institutions Projected Athletics Revenue

[14] See appendix B for the specific schools included in data. See appendix C for detail of conference realignments as well as details on the timing of three public schools that will join the "Autonomy 5" for the first time. In the data analysis, each school is represented in the appropriate conference it will be in for the fiscal years displayed.

[15] The projected average annual growth rate of athletics revenue for Autonomy 5 public institutions was 8.64%. The projected revenue was determined by using the historical compound growth rate from fiscal year 2015 – 2022, and also considering increased revenue coming from the expanded CFP and media contracts. See Appendix A for further explanations of revenue assumptions and methodologies.

GROUP OF 5 CONFERENCES[16] (Data includes 48 public schools of 59 FBS schools in FY2022, and adjusts member composition appropriately in future years)

Total annual athletics revenue for the Group of 5 Conference schools is projected to be $3.8 billion in fiscal year 2032. This is an increase of $1.7 billion from fiscal year 2022, which was $2.1 billion. Revenue from Conference and NCAA Distributions, CFP/Post-Season Football and Media Rights is projected to make up 18% of the total athletics revenue in fiscal year 2032. The largest revenue sources for these schools are institutional/government support and student fees, which together make up 50% of total revenues.

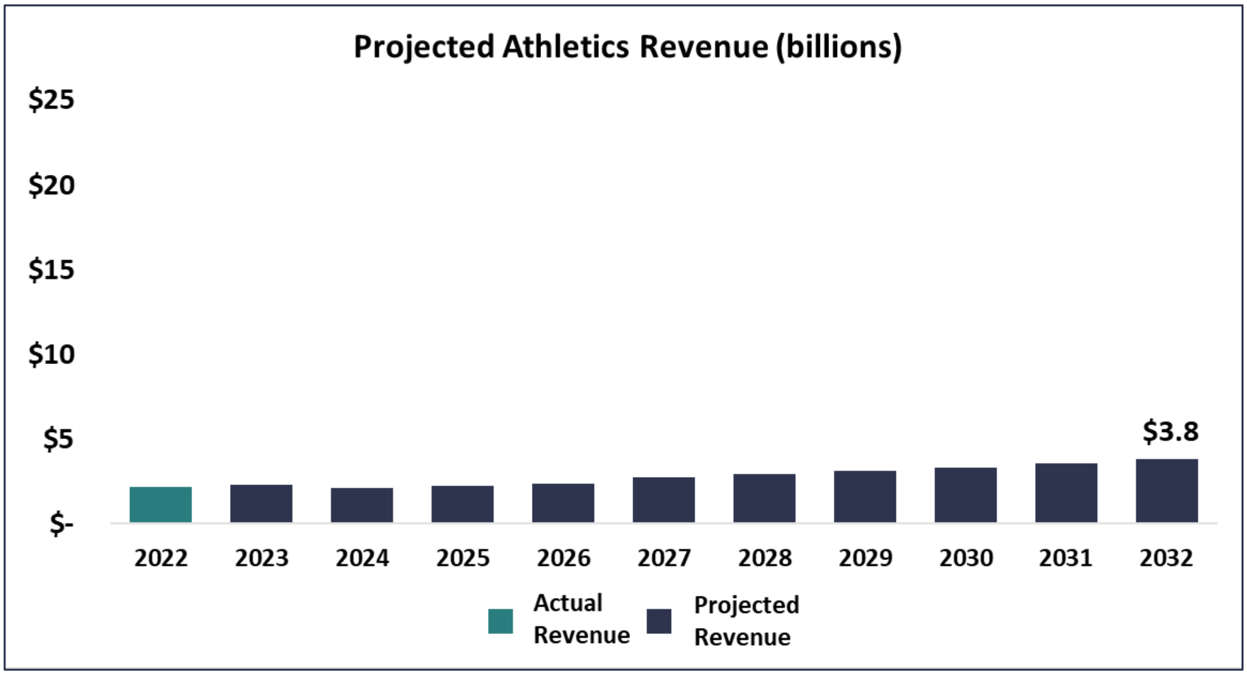

Figure 13: Group of 5 Public Institutions Projected Athletics Revenue

[16] See appendix B for the specific schools included in data. Only public schools that met all criteria for full FBS membership as of FY2022 are included in the data set. See appendix C for detail of conference realignments as well as details on the timing of three public schools that will join the Autonomy 5 for the first time. In the data analysis, each school is represented in the appropriate conference it will be in for the fiscal years displayed.

KEY OBSERVATIONS

The following are the key observations made as a result of the three goals of the assessment outlined in this financial analysis:

a) Even when applying a more conservative methodology (compound growth rate from fiscal year 2015 to fiscal year 2022), the results of the total combined compensation for 594 football coaches ($1.363 billion) are projected to be just $9 million lower than "athlete scholarships and medical expenses" ($1.372 billion) for all athletes across all sports at Autonomy 5 public institutions in fiscal year 2032.

b) In fiscal year 2022, 9 of the 51 Autonomy 5 public institutions experienced the "crossover point" where compensation for 11 "countable" football coaches per school exceeded the total "athlete scholarships and medical expenses" for ALL college athletes across ALL sports at each school. Of those 9 schools, 4 were in the SEC, 3 were in the Big 12, and 1 in both the Big Ten and ACC. [Note: A list of the schools that reached a "crossover point" is in Appendix D.]

c) CLA projections show that by fiscal year 2032, the number of Autonomy 5 public institutions at the "crossover point" will more than double from fiscal year 2022. In fiscal year 2032, 25 of the 54 Autonomy 5 public institutions (3 new public schools join the Autonomy 5 in fiscal year 2024) will experience a "crossover point" where compensation for 11 "countable" football coaches per school will exceed the total "athlete scholarships and medical expenses" for ALL college athletes across ALL sports at that school. The conference affiliations of those 25 schools in 2032 follow: 8 in the SEC, 8 in the Big Ten, 4 in the Big 12, 4 in the ACC, and 1 with an uncertain conference beginning in fiscal year 2025 (members of the PAC-12 as of the date of this report). [Note: A list of the schools that project a "crossover point" is in Appendix D.]

d) The SEC and Big Ten are projected in fiscal year 2032 to have the most schools (8) with football coaching compensation exceeding "athlete scholarships and medical expenses" by the end of this decade.

e) The Big 12 and ACC are conferences in which "athlete scholarships and medical expenses" are projected in fiscal year 2032 to remain above football coaching compensation for the conferences overall. However, each of these conferences has individual member schools where football coaching compensation is projected to exceed "athlete scholarships and medical expenses."

f) Projections for the Big 12 demonstrate that the addition of the PAC-12 schools in fiscal year 2025 impact the relationship between the spending on football coaching salaries and "athlete scholarships and medical expenses." The years prior to the addition of the PAC-12 schools show a narrow margin between spending on football coaching salaries and "athlete scholarships and medical expenses." The margin becomes much larger with the addition of three PAC-12 programs that are not projected to reach the "crossover point."

g) Projections are not shown for the PAC-12 Conference as a group after fiscal year 2024 since as of the publication date of this analysis, the PAC-12 Conference will not have enough schools to meet NCAA criteria for FBS Conference status. This status could change with the addition of eligible institutions as members. One Autonomy 5 school with an uncertain conference beginning fiscal year 2025 (member of the PAC-12 as of the date of this report) is projected to have football coaching compensation exceed "athlete scholarships and medical expenses" in fiscal year 2032.

h) While relatively modest variations were found using different methodologies and growth rates to project future spending, the historical growth trends demonstrate that football coaching compensation generally follows the rising rates of revenue. A more conservative methodology, using a historical growth trend from fiscal year 2015 to 2022, was applied throughout this financial analysis.

i) Based on historical trends and the additional revenue projected to be generated by FBS schools in the next ten years, severance pay for FBS football coaches is projected to continue to increase with projections that exceed $173 million in fiscal year 2032.

j) Total FBS annual athletics revenue from all sources is projected to be $20.9 billion and Autonomy 5 public institution's annual athletics revenue projected to reach $16.7 billion by 2032. Nearly half of the total annual athletics revenue for Autonomy 5 public institutions is projected to be from Conference and NCAA Distributions, CFP/Post-Season Football, and Media Rights.

APPENDIX A: ASSUMPTIONS AND METHODOLOGY

ASSUMPTIONS AND METHODOLOGY: HISTORICAL TRENDS

In order to understand the impact of future revenue, CLA's assessment first considered historical trends of operating expenses and operating revenue to project what would happen in future years. Projections begin in fiscal year 2023. Data was gathered from the Knight-Newhouse College Athletic Database by institution for the fiscal years 2005 to 2022. This data is drawn from NCAA financial reports for public institutions subject to public disclosure laws. A complete list of revenue and expenses included in historical data, and the definition of these revenue and expenses follows below. See appendix B for the complete list of institutions included in the assessment.

ASSUMPTIONS AND METHODOLOGY: REVENUE

Existing Revenue

For revenue in fiscal years 2022 and prior, CLA's assessment made the assumption by institution and by revenue source that the compound annual growth rate from fiscal year 2015 to fiscal year 2022 could be applied to project future revenue starting in fiscal year 2023. This assumption meant that each revenue type at each institution had specific rates with which future revenue was projected.[17] The specific rates were used in the assessment. The average historical compound annual growth rate for all revenue types and all institutions for which data was received was 3.5%. The decision was made to use the eight-year compound annual growth rate from fiscal year 2015 to fiscal year 2022. This range captures the inaugural CFP revenues as well as the down spending years of COVID, which resulted in more conservative projections. Fiscal year 2022 serves as the baseline year to begin fiscal year 2023 projections.

Additional Revenue

Assumptions were made regarding the timing and the amount of additional revenue from the expanded CFP as well as additional conference media revenue that exceeds any existing annual escalation.

The assumptions relating to additional revenue are based only on reported data available for either contracted or adopted changes, such as newly contracted media deals and the agreement to expand the CFP. CLA's assumptions were informed media reports and by Navigate, an agency that specializes in sports media research.[18]

College Football Playoff

CLA's assessment assumes an influx of revenue from the expanded CFP. CLA's model assumes that the expanded CFP would generate a combined $450 million in additional revenue in fiscal year 2025 and 2026.[19] The model assumes that total CFP revenue reaches $2 billion a year, starting in fiscal year 2027.[20]

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[17] The specific rates were limited to a minimum of -10% and maximum of 15% to account for anomalies in revenue fluctuations.
[18] Here's a look at all the current conference TV deals | On3 | August 2, 2021
[19] College Football Playoff to expand to 12 teams by '26 season | AP News | September 2, 2022
[20] Expanded CFP Could Fetch $2.2B In Annual Media Rights Fees | Front Office Sports | September 6, 2022

The additional CFP revenue was allocated to individual institutions based the historical CFP revenue distribution formula and the existing agreement: 80% to schools that are members of either the ACC, Big 10, Big 12, PAC-12, or SEC and remaining 20% to other FBS schools.[21] [Note: The CFP revenue distribution formula may change given the recent realignments and with the 2027 media rights negotiation but there is no other formula on which to base alternative modeling.]

Conference Media Revenue

CLA's assessment assumes additional revenue generated from publicly-announced media contracts for Autonomy 5 conferences, along with any publicly announced incremental growth due to conference realignments as of September 1, 2023.

ACC

On September 1, 2023, the ACC announced that the University of California-Berkeley will join the conference on August 2, 2024, along with two private institutions, Southern Methodist University and Stanford University. Based upon media reports,[22] ESPN will boost its annual media rights payments to the ACC by more than $70 million as a result of contract stipulations that require "pro-rata increases" for the addition of schools. Each new school agreed to significant reductions in regular "institutional shares" from the conference distribution. However, the impact of this resulting new revenue on these projections is negligible since a portion will be used to offset increased travel costs for all members and the majority of the new incremental revenue in media rights will be used to create a new "success initiative" program. The impact of this new incentive program, estimated to be $50 million annually, cannot be projected since the recipients are not known.

It is not possible to project the future impact of this realignment on University of California-Berkeley's conference media revenue at the time of this report's publication (September 1, 2023). University of California-Berkeley will benefit financially from a unique agreement forged by the California Regents requiring UCLA to share anywhere from $2 to $10 million in conference media rights with its "sister school" in the system. This agreement was part of the Regents' approval allowing UCLA to join the Big Ten.[23] It is not yet known what these specific annual payment requirements will be since the payments were intended by the Regents to "offset" the University of California-Berkeley's expected conference media reductions when UCLA left the PAC-12.

Big Ten Conference

The assessment includes the assumption that the Big Ten Conference will receive an additional $340 million a year from its media contract announced in August 2022 –an amount that will ramp up in fiscal year 2024 and will be received in full in fiscal year 2025.

[21] College Football Playoff Revenue Distribution for 2023-24 Academic Year | College Football Playoff
[22] ACC adds Stanford, Cal, SMU as new members beginning 2024-25, ESPN | September 1, 2023 and Stanford, Cal, and SMU Headed to ACC, per sources, SI.com, September 1, 2023
[23] UC Regents Approve UCLA's Move to Big Ten, Impose Tax to Support Cal, SI.com, December 14, 2022.

CLA's assessment adjusts this additional media revenue for inflation. In fiscal year 2032 this additional media revenue is assumed to be $484M (an amount adjusted for inflation).

The assessment also includes incremental growth to these amounts announced on Aug. 4, 2023, as a result of the University of Oregon and the University of Washington joining the conference in fiscal year 2025. The incremental growth provides both schools $30 million annually beginning in fiscal year 2025, increasing by $1 million through fiscal year 2030 after which they will receive "full shares" provided to each Big 10-member institution.[24]

The agreements for future conference revenues differ between UCLA (announced their move to the Big Ten on June 30, 2022) and the University of Oregon and University of Washington. These differences are taken into account in the projections modeling.

Big 12 Conference

Beginning fiscal year 2026 (25-26 academic year), the Big 12's media contract increases to $380 million annually, an increase from $220 million annually in its deal that expires in fiscal year 2025.[25] At the time of the announced new media deal, the $380 million was to be divided among the 12 conference members beginning fiscal year 2025, with a two-year ramp up to "full distribution shares" for the incoming four schools, including the three public schools in this report (the University of Central Florida, the University of Cincinnati, and the University of Houston). The conference media revenue share for those schools are reported to be $18 million in fiscal year 2024 and $19 million in fiscal year 2025 before receiving a full share starting in fiscal year 2026.[26] The conference media contract increased again in July and August 2023 since the contract included a provision that the media partners would increase the rights by a "proportional share" for an existing "Autonomy 5 school" that would subsequently join the league.[27]

On July 27, 2023, the University of Colorado joined the Big 12 effective fiscal year 2025 (24-25 academic year). This was followed by an August 4, 2023, announcement that the University of Arizona, Arizona State University, and the University of Utah would join the Big 12 beginning in August 2024. It is reported that these four universities will begin receiving a "full share" of the Big 12 conference media distribution in their first year in the conference (fiscal year 2025). Accordingly, any incremental increase in conference revenue that former PAC-12 schools joining the Big 12 (i.e., Arizona, Arizona State, Colorado, and Utah) would begin receiving in fiscal year 2025 is considered in the modeling for those schools. Since the Big *12 media contract expires 2031,* there is no incremental increase beyond inflation for the conference-only media revenues in fiscal year 2032.

[24] Big Ten adds Oregon, Washington as newest members in blow to Pac-12 | ESPN | August 4, 2023
[25] Big 12 Conference Inks $2.3 Billion Media Rights Deal With ESPN, Fox Sports | SI | October 31, 2022
[26] Big 12: UCF to Receive Full Revenue Shares in 2025-2026 | Black and Gold Banneret.com |August 9, 2023.
[27] Colorado's move to the Big 12 jeopardizes the Pac-12's survival | USA Today | July 27, 2023

SEC Conference

The assessment includes the assumption that the SEC will receive an additional $230 million a year from media contracts. This amount will ramp up in fiscal year 2025 and will be received in full in fiscal year 2026. CLA's assessment adjusts this additional media revenue for inflation. In fiscal year 2030 this additional media revenue is assumed to be $303M (an amount adjusted for inflation).

ASSUMPTIONS AND METHODOLOGY: EXPENSES

Existing Expenses

For expenses in fiscal years 2022 and prior, CLA's assessment made the assumption by institution and by expense type that the compound annual growth rate from fiscal year 2015 to fiscal year 2022 could be applied to project future expenses starting in fiscal year 2023. This assumption meant that each expense type at each institution had specific rates with which to project future expenses.[28] The decision was made to use the eight-year compound annual growth rate from fiscal year 2015 to fiscal year 2022. This range captures the inaugural CFP revenues as well as the down spending years of COVID. This approach provides more conservative projections than other methods. Fiscal year 2022 serves as the baseline year to begin fiscal year 2023 projections. Note that assumptions were not made to consider potential policy changes that could impact expenses like additional institutional compensation provided to college athletes.

Football Coaching Compensation Expense

For football coaching compensation expenses, CLA's assessment considered the expense using two different methodologies:

1) Historical Growth Trend:
   Football coaching compensation projections starting in fiscal year 2023 used the compound annual growth rate from fiscal year 2015 to fiscal year 2022. This methodology assumes coaching compensation maintains historical trends. This historical growth rate methodology was used for football coaching compensation projections in CLA's assessment. This methodology is reflected in Figure 1 and is used throughout this financial analysis. Figures 2 and 3 show alternate projections for FBS Autonomy 5 football coaching compensation using different historical growth trends.
2) 2022 *% of Revenue:*
   Football coaching compensation projections starting in fiscal year 2023 used expenses as a % of revenue in 2022. This methodology assumes that football coaching compensation matches the rate of the rising revenue. This methodology is reflected in Figure 4.

The historical growth trend from fiscal year 2015 to fiscal year 2022 was selected as the methodology.

[28] The specific rates were limited to a minimum of -5% and maximum of 20% to account for anomalies in expense fluctuations.

Football Coaching Severance Expense

To produce projections for FBS football coaching severance expenses, relevant severance data was collected from the Knight-Newhouse College Athletic Data project for fiscal years 2011 through 2022. The data includes severance payments for football reported by each FBS public institution on the institution's NCAA financial report.

ASSUMPTIONS AND METHODOLOGY: DEFINITIONS OF REVENUE AND EXPENSES

The following definitions of revenue and expenses are found in the Knight-Newhouse College Athletics Database.[29]

Revenues	
Other Revenue	Revenue from the following categories: Compensation and benefits provided by a third party; game program, novelty, parking, and concession sales; sports camps and clinics; athletics restricted endowment and investments income; and other operating revenue.
Corporate Sponsorship, Advertising, Licensing	Revenue generated by the institution from royalties, licensing, advertisements, and sponsorships.
Donor Contributions	Funds contributed from individuals, corporations, associations, foundations, clubs, or other organizations external to the athletics program above the face value for tickets.
Competition Guarantees	Revenue received from participation in away or neutral-site games.
NCAA/Conference Distributions, Media Rights, and Post-Season Football	Revenue received from the NCAA (including championships) and athletics conferences, media rights, and post-season football bowl games.
Ticket Sales	Revenue received from ticket sales for all NCAA-sponsored sports at an institution.
Institutional Government Support	Revenue received from governments, direct funds from the institution for athletics operations, and costs covered, and services provided by the institution to athletics (and for athletics debt) but not charged to athletics.
Student Fees	Fees paid by student and allocated for the restricted use of the athletics department.
Expenses	
Other Expenses	Expenses related to the following categories: Sports equipment, uniforms and supplies, fundraising, marketing and promotion, sports camps, spirit groups, membership and dues, student-athlete meals, and other operating expenses.
Medical	Medical expenses and medical insurance premiums.
Competition Guarantees	Amounts paid to visiting participating institutions, including per diems and/or travel and meals.

[29] https://knightnewhousedata.org/about-the-data#defmeth

Recruiting	Spending on transportation, lodging, meals, and other personnel and administrative expenses relating to recruitment of prospective student-athletes.
Game Expenses and Travel	Game expenses relate to competition expenses other than travel. Travel relates to spending on transportation, lodging, meals, and incidentals related to preseason and regular season competition.
Facilities and Equipment	Facility expenses include debt service, leases, and rental fees for athletic facilities. This includes overhead and administrative expenses. Equipment expenses includes spending for items provided to teams, including in-kind equipment.
Coaches Compensation	Coaches' compensation includes bonuses and benefits, but not severance payments. This category includes direct payment and bonuses to coaches from the institution and from a third party.
Support and Admin Compensation w/Severance	Support and administrative staff compensation includes bonuses and benefits paid to all administrative and support staff. This category includes direct payment from the institution and payment from a third party. Severance payments for former coaches and administrators are also included.
Athletic Student Aid	Total expenses for athletic student aid, including tuition and fees, room and board, books, summer school, tuition discounts, waivers, and cost of attendance, including aid given to student-athletes who have exhausted their eligibility or who are inactive due to medical reasons.
Other Data	
Football Coaching Compensation	Total compensation reported for all football coaches, including compensation, benefits and bonuses paid by the university, and contractually-guaranteed amounts paid by third parties. [Note: The football coach compensation figures are from the NCAA reports, which uses a different methodology than the one used by USA TODAY in its annual survey.]
Total Annual Debt Service, Leases and Rental Fees on Athletic Facilities	Payment of principal and interest on athletic facilities debt, leases, and rental fees in the reporting year.

ASSUMPTIONS AND METHODOLOGY: OTHER CONSIDERATIONS

Cash Academic Awards

Cash academic awards, allowed beginning fiscal year 2022, were not considered in CLA's assessment because the NCAA Financial Reports lump the dollars spent on these awards in with "Other Expenses." As a result, it is impossible to determine how much was awarded to college athletes only for the academic awards. A change to the NCAA financial report is required to capture the impact of these cash awards.

NIL

The NCAA changed the rules on athletes earning money for the use of their name, image, and likeness (NIL) in June 2021 from non-institutional sources. It is too early to predict any institutional impacts from this change. For example, how, if at all, donor contributions to university-related Collectives that are involved in athlete NIL deals may change contributions directly to athletics departments. Because there is no way to project the future impact of this policy change, CLA's assessment did not take the potential effects of NIL into consideration.

Conference Realignment

There are FBS public institutions whose athletics programs are realigning with different conferences during the period of this assessment. CLA's assessment took any realignments announced as of September 1, 2023, into consideration. The University of Central Florida, University of Houston, and University of Cincinnati will join the Big 12 in fiscal year 2023. In August 2024, four additional schools are joining the Big 12 from the PAC-12—Arizona State University, the University of Colorado, the University of Arizona, and the University of Utah. The University of California-Berkeley will move from the PAC-12 to the ACC in fiscal year 2025. The University of Oklahoma and the University of Texas at Austin will be joining the Southeastern Conference (SEC) in fiscal year 2024. The University of California, Los Angeles, University of Oregon, and University of Washington will be moving to the Big Ten in August 2024.

All of these realignment changes are reflected in the conference data in this financial analysis; each school is shown in the appropriate conference it will be in for the fiscal years displayed. See appendix B and C for further details.

Atlantic Coast Conference (ACC)

The Atlantic Coast Conference (ACC) is an outlier amongst Autonomy 5 public institutions in this assessment. Data are not available for many schools within the ACC due to their status as either a private school or public school with an exemption from public disclosure laws. ACC projections included in this assessment are limited to the public schools that had data available as identified in Appendix B.

PAC-12 Conference

The current PAC-12 media deal expires at the end of fiscal year 2024. As of the date of this report, there are only two public schools that are currently members that do not have an agreement to realign with another conference: Oregon State University and Washington State University. Unless there are membership additions, the PAC-12 will not meet the NCAA criteria for an FBS conference and thus, projections are not listed for this conference after fiscal year 2024. The current member schools, however, continue to be considered in the Autonomy Conference designation since that will be their classification as of fiscal year 2024. This analysis was applied through 2032 for this group of schools.

NCAA Championships Media Rights

The current NCAA media rights deal for the Division I Men's Basketball Tournament continues through fiscal year 2032 and the annual growth for that media deal is built into the CLA model.

The NCAA is expected to receive additional media revenue in fiscal year 2025 from a new contract for its Division I Women's Basketball Tournament and other Division I championships after the expiration of its current deal for these championships. Potential increases in NCAA revenue distribution to institutions resulting from this additional revenue are not built into this model.

APPENDIX B: FBS SCHOOLS AND CONFERENCE AFFILIATIONS FOR FOOTBALL (as of September 1, 2023)

This appendix lists FBS schools and whether they were included in CLA's assessment. CLA's assessment included only public schools that met all criteria for full FBS membership as of FY2022, a total of 102 institutions. There were 28 FBS schools for which data was not available due to their status as private institutions or public institutions not subject to public disclosure laws. These schools were considered in the allocation of the additional CFP revenue. However, these schools were not included in other aspects of the assessment.

Summary of FBS School Data			
	Data	No Data	Totals
Private	0	18	18
Public	102	10	112
Grand Total	**102**	**28**	**130**

School	Type	FBS Conference	Fiscal year 2022 data available?
Appalachian State University	Public	Sun Belt Conference	Yes
Arizona State University	Public	Pacific-12 Conference******	Yes
Arkansas State University	Public	Sun Belt Conference	Yes
Auburn University	Public	Southeastern Conference	Yes
Ball State University	Public	Mid-American Conference	No
Baylor University	Private	Big 12 Conference	No
Boise State University	Public	Mountain West Conference	Yes
Boston College	Private	Atlantic Coast Conference	No
Bowling Green State University	Public	Mid-American Conference	Yes
Brigham Young University	Private	Independent**	No
California State University, Fresno	Public	Mountain West Conference	Yes
Central Michigan University	Public	Mid-American Conference	Yes
Clemson University	Public	Atlantic Coast Conference	Yes
Coastal Carolina University	Public	Sun Belt Conference	Yes

School	Type	FBS Conference	Fiscal year 2022 data available?
Colorado State University	Public	Mountain West Conference	Yes
Duke University	Private	Atlantic Coast Conference	No
East Carolina University	Public	American Athletic Conference	Yes
Eastern Michigan University	Public	Mid-American Conference	No
Florida Atlantic University	Public	Conference USA	Yes
Florida International University	Public	Conference USA	Yes
Florida State University	Public	Atlantic Coast Conference	Yes
Georgia Institute of Technology	Public	Atlantic Coast Conference	Yes
Georgia Southern University	Public	Sun Belt Conference	Yes
Georgia State University	Public	Sun Belt Conference	Yes
Indiana University, Bloomington	Public	Big Ten Conference	Yes
Iowa State University	Public	Big 12 Conference	Yes
Kansas State University	Public	Big 12 Conference	Yes
Kent State University	Public	Mid-American Conference	Yes
Liberty University	Private	Independent	No
Louisiana State University	Public	Southeastern Conference	Yes
Louisiana Tech University	Public	Conference USA	Yes
Marshall University	Public	Conference USA	Yes
Miami University (Ohio)	Public	Mid-American Conference	Yes
Michigan State University	Public	Big Ten Conference	Yes
Middle Tennessee State University	Public	Conference USA	Yes
Mississippi State University	Public	Southeastern Conference	Yes
New Mexico State University	Public	Independent	Yes
North Carolina State University	Public	Atlantic Coast Conference	Yes
Northern Illinois University	Public	Mid-American Conference	Yes
Northwestern University	Private	Big Ten Conference	No
University of Notre Dame	Private	Independent	No
Ohio University	Public	Mid-American Conference	Yes
Oklahoma State University	Public	Big 12 Conference	Yes
Old Dominion University	Public	Conference USA	Yes
Oregon State University	Public	Pacific-12 Conference	Yes
Pennsylvania State University	Public	Big Ten Conference	No*
Purdue University	Public	Big Ten Conference	Yes
Rice University	Private	Conference USA	No
Rutgers, The State University of New Jersey, New Brunswick	Public	Big Ten Conference	Yes
San Diego State University	Public	Mountain West Conference	Yes
San Jose State University	Public	Mountain West Conference	Yes

School	Type	FBS Conference	Fiscal year 2022 data available?
Southern Methodist University	Private	American Athletic Conference*******	No
Stanford University	Private	Pacific-12 Conference*******	No
Syracuse University	Private	Atlantic Coast Conference	No
Texas Christian University	Private	Big 12 Conference	No
Temple University	Public	American Athletic Conference	No*
Texas A&M University, College Station	Public	Southeastern Conference	Yes
Texas State University	Public	Sun Belt Conference	Yes
Texas Tech University	Public	Big 12 Conference	Yes
The Ohio State University	Public	Big Ten Conference	Yes
University of Alabama	Public	Southeastern Conference	Yes
University of Tennessee, Knoxville	Public	Southeastern Conference	Yes
University of Texas at Austin	Public	Big 12 Conference****	Yes
University of Texas at El Paso	Public	Conference USA	Yes
University of Texas at San Antonio	Public	Conference USA	Yes
Troy University	Public	Sun Belt Conference	Yes
Tulane University	Private	American Athletic Conference	No
The University of Tulsa	Private	American Athletic Conference	No
U.S. Air Force Academy	Public	Mountain West Conference	No
U.S. Military Academy	Public	Independent	No
U.S. Naval Academy	Public	American Athletic Conference	No
University at Buffalo, the State University of New York	Public	Mid-American Conference	No
University of Akron	Public	Mid-American Conference	Yes
University of Alabama at Birmingham	Public	Conference USA	Yes
University of Arizona	Public	Pacific-12 Conference******	Yes
University of Arkansas, Fayetteville	Public	Southeastern Conference	Yes
University of California, Berkeley	Public	Pacific-12 Conference*******	Yes
University of California, Los Angeles	Public	Pacific-12 Conference***	Yes
University of Central Florida	Public	American Athletic Conference**	Yes
University of Cincinnati	Public	American Athletic Conference**	Yes
University of Colorado, Boulder	Public	Pacific-12 Conference******	Yes
University of Connecticut	Public	Independent	Yes
University of Florida	Public	Southeastern Conference	Yes
University of Georgia	Public	Southeastern Conference	Yes
University of Hawaii, Manoa	Public	Mountain West Conference	Yes
University of Houston	Public	American Athletic Conference**	Yes
University of Illinois Urbana-Champaign	Public	Big Ten Conference	Yes

School	Type	FBS Conference	Fiscal year 2022 data available?
University of Iowa	Public	Big Ten Conference	Yes
University of Kansas	Public	Big 12 Conference	Yes
University of Kentucky	Public	Southeastern Conference	Yes
University of Louisiana at Lafayette	Public	Sun Belt Conference	Yes
University of Louisiana Monroe	Public	Sun Belt Conference	No
University of Louisville	Public	Atlantic Coast Conference	Yes
University of Maryland, College Park	Public	Big Ten Conference	Yes
University of Massachusetts, Amherst	Public	Independent	Yes
University of Memphis	Public	American Athletic Conference	Yes
University of Miami (Florida)	Private	Atlantic Coast Conference	No
University of Michigan	Public	Big Ten Conference	Yes
University of Minnesota, Twin Cities	Public	Big Ten Conference	Yes
University of Mississippi	Public	Southeastern Conference	Yes
University of Missouri, Columbia	Public	Southeastern Conference	Yes
University of Nebraska-Lincoln	Public	Big Ten Conference	Yes
University of Nevada, Las Vegas	Public	Mountain West Conference	Yes
University of Nevada, Reno	Public	Mountain West Conference	Yes
University of New Mexico	Public	Mountain West Conference	Yes
University of North Carolina, Chapel Hill	Public	Atlantic Coast Conference	Yes
The University of North Carolina at Charlotte	Public	Conference USA	Yes
University of North Texas	Public	Conference USA	Yes
University of Oklahoma	Public	Big 12 Conference****	Yes
University of Oregon	Public	Pacific-12 Conference*****	Yes
University of Pittsburgh	Public	Atlantic Coast Conference	No*
University of South Alabama	Public	Sun Belt Conference	Yes
University of South Carolina, Columbia	Public	Southeastern Conference	Yes
University of South Florida	Public	American Athletic Conference	Yes
The University of Southern Mississippi	Public	Conference USA	Yes
University of Toledo	Public	Mid-American Conference	Yes
University of Utah	Public	Pacific-12 Conference******	Yes
University of Virginia	Public	Atlantic Coast Conference	Yes
University of Washington	Public	Pacific-12 Conference*****	Yes
University of Wisconsin-Madison	Public	Big Ten Conference	Yes
University of Wyoming	Public	Mountain West Conference	Yes
University of Southern California	Private	Pacific-12 Conference***	No
Utah State University	Public	Mountain West Conference	Yes
Vanderbilt University	Private	Southeastern Conference	No

School	Type	FBS Conference	Fiscal year 2022 data available?
Virginia Polytechnic Institute and State University	Public	Atlantic Coast Conference	Yes
Wake Forest University	Private	Atlantic Coast Conference	No
Washington State University	Public	Pacific-12 Conference	Yes
West Virginia University	Public	Big 12 Conference	Yes
Western Kentucky University	Public	Conference USA	Yes
Western Michigan University	Public	Mid-American Conference	Yes

*	Data for the public institution was not available due exemption from public disclosure laws.
**	Will move to the Big 12 July 1, 2023. This was considered in CLA's assessment.
***	Will move to the Big Ten August 2, 2024. This was considered in CLA's assessment.
****	Will move to the SEC July 1, 2024. This was considered in CLA's assessment.
*****	Will move to the Big Ten August 2, 2024. This was considered in CLA's assessment.
******	Will move to the Big 12 July 1, 2024. This was considered in CLA's assessment.
*******	Will move to the ACC August 2, 2024. This was considered in CLA's assessment.

APPENDIX C: AUTONOMY 5 MEMBERSHIPS AND REALIGNMENTS
(as of September 1, 2023)

	Number of Schools Included in Assessment with Data Available by Conference and by Year										
Conference	**FY2022**	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**	**FY2028**	**FY2029**	**FY2030**	**FY2031**	**FY2032**
ACC	8	8	8	9	9	9	9	9	9	9	9
Big Ten	12	12	12	15	15	15	15	15	15	15	15
Big 12	8	8	11	13	13	13	13	13	13	13	13
PAC-12	10	10	10	2	2	2	2	2	2	2	2
SEC	13	13	13	15	15	15	15	15	15	15	15

The specific conference realignments will occur in each of the following years for public schools with data available (only realignments announced as of September 1, 2023, are considered in this assessment):

Fiscal Year 2024

- University of Central Florida moves from AAC to Big 12
- University of Cincinnati moves from AAC to Big 12
- University of Houston moves from AAC to Big 12

Fiscal Year 2025

- Arizona State University moves from PAC-12 to Big 12
- University of Arizona moves from PAC-12 to Big 12
- University of California-Berkeley from PAC-12 to ACC
- University of California, Los Angeles moves from PAC-12 to Big Ten
- University of Colorado, Boulder moves from PAC-12 to Big 12
- University of Oklahoma moves from Big 12 to SEC
- University of Oregon moves from PAC-12 to Big Ten
- University of Texas at Austin moves from Big 12 to SEC
- University of Utah moves from PAC-12 to Big 12
- University of Washington moves from PAC-12 to Big Ten

APPENDIX D:
CROSSOVER POINT FOR WHEN FOOTBALL COACHING COMPENSATION EXCEEDS "ATHLETE SCHOLARSHIPS AND MEDICAL EXPENSES"

Overall, projections show substantial growth in the number of Autonomy 5 public institutions where football coaching compensation will exceed "athlete scholarships and medical expenses" for all athletes across all sports. This growth trend is projected to represent 46% of all Autonomy 5 public institutions by 2032. Table 1 below shows that this varies by both school and conference. Table 1 shows the number of schools within each of the Autonomy 5 conferences that had, or are projected to have, football coaching compensation exceed "athlete scholarships and medical expenses." Table 2 shows all schools included in the data and the years football coaching compensation exceeded or is projected to exceed "athlete scholarships and medical expenses."

Based on the existing data in fiscal year 2022, 9 schools had experienced the "crossover point" where compensation for 11 "countable" football coaches exceeded the total "athlete scholarships and medical expenses" for ALL college athletes across ALL sports at that school. Of those 9 schools, 4 (out of 13 schools included in the data) were in the SEC, 1 (out of 12 schools included in the data) was in the Big Ten, 3 (out of 8 schools included in the data) were in the Big 12, 1 (out of 8 schools included in the data) in the ACC and 0 (out of 10 schools included in the data) in the PAC-12.

The 9 schools were:

- Louisiana State University
- Texas A & M University
- University of Georgia
- University of Mississippi
- University of Iowa
- Oklahoma State University
- Texas Tech University
- The University of Texas at Austin
- Florida State University

Number of Schools where Football Coaching Compensation Exceeded or is Projected to Exceed "Athlete Scholarships and Medical Expenses" by Conference and by Year							
Fiscal Year	**SEC**	**Big Ten**	**Big 12**	**ACC**	**PAC-12**	**Autonomy 5 schools with uncertain conference beginning FY2025[30]**	**Total**
FY2011	**1**	**0**	**0**	**0**	**0**		**1**
FY2012	**0**	**0**	**0**	**0**	**0**		**0**
FY2013	**0**	**0**	**0**	**0**	**0**		**0**
FY2014	**1**	**0**	**0**	**0**	**0**		**1**
FY2015	**1**	**0**	**0**	**0**	**0**		**1**
FY2016	**0**	**0**	**0**	**1**	**0**		**1**
FY2017	**0**	**0**	**0**	**0**	**0**		**0**
FY2018	**1**	**0**	**1**	**1**	**0**		**3**
FY2019	**2**	**0**	**2**	**0**	**0**		**4**
FY2020	**4**	**1**	**2**	**1**	**0**		**8**
FY2021	**2**	**0**	**2**	**0**	**1**		**5**
FY2022	**4**	**1**	**3**	**1**	**0**		**9**
FY2023	**4**	**1**	**4**	**1**	**1**		**11**
FY2024	**5**	**1**	**4**	**1**	**1**		**12**
FY2025	**6**	**3**	**4**	**1**		**0**	**14**
FY2026	**6**	**3**	**4**	**1**		**0**	**14**
FY2027	**6**	**6**	**4**	**1**		**0**	**17**
FY2028	**8**	**6**	**4**	**2**		**0**	**20**
FY2029	**8**	**6**	**4**	**3**		**1**	**22**
FY2030	**8**	**6**	**4**	**3**		**1**	**22**
FY2031	**8**	**7**	**4**	**4**		**1**	**24**
FY2032	**8**	**8**	**4**	**4**		**1**	**25**

Table 1: Number of Schools where Football Coaching Compensation Exceed or is Projected to Exceed "Athlete Scholarships and Medical Expenses"

[30] As of the publication date of this analysis, the PAC-12 Conference will not have enough schools to meet NCAA criteria for FBS conference status beginning in fiscal year 2025, and thus, it is not listed as a conference in that and subsequent years. This status could change with the addition of eligible institutions as members.

Detail of Crossover Points X = Football coaching compensation exceeded or is projected to exceed "athlete scholarships and medical expenses"											
School	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Arizona State University											
Auburn University											
Clemson University											
Florida State University	X	X	X	X	X	X	X	X	X	X	X
Georgia Institute of Technology											
Indiana University-Bloomington										X	X
Iowa State University		X	X	X	X	X	X	X	X	X	X
Kansas State University											
Louisiana State University	X	X	X	X	X	X	X	X	X	X	X
Michigan State University						X	X	X	X	X	X
Mississippi State University			X	X	X	X	X	X	X	X	X
North Carolina State University at Raleigh								X	X	X	X
Oklahoma State University	X	X	X	X	X	X	X	X	X	X	X
Oregon State University								X	X	X	X
Purdue University						X	X	X	X	X	X
Rutgers, The State University of New Jersey-New Brunswick						X	X	X	X	X	X
Texas A & M University	X	X	X	X	X	X	X	X	X	X	X
Texas Tech University	X	X	X	X	X	X	X	X	X	X	X
The Ohio State University											X
The University of Alabama											
The University of Tennessee											
The University of Texas at Austin	X	X	X	X	X	X	X	X	X	X	X
University of Arizona											
University of Arkansas											
University of California-Berkeley										X	X
University of California-Los Angeles											
University of Central Florida											
University of Cincinnati											
University of Colorado Boulder											
University of Florida							X	X	X	X	X
University of Georgia	X	X	X	X	X	X	X	X	X	X	X
University of Houston											
University of Illinois Urbana-Champaign				X	X	X	X	X	X	X	X
University of Iowa	X	X	X	X	X	X	X	X	X	X	X

Detail of Crossover Points X = Football coaching compensation exceeded or is projected to exceed "athlete scholarships and medical expenses"											
School	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**
University of Kansas											
University of Kentucky							X	X	X	X	X
University of Louisville											
University of Maryland-College Park											
University of Michigan											
University of Minnesota-Twin Cities											
University of Mississippi	X	X	X	X	X	X	X	X	X	X	X
University of Missouri-Columbia											
University of Nebraska-Lincoln											
University of North Carolina at Chapel Hill							X	X	X	X	X
University of Oklahoma											
University of Oregon		X	X	X	X	X	X	X	X	X	X
University of South Carolina											
University of Utah				X	X	X	X	X	X	X	X
University of Virginia											
University of Washington											
University of Wisconsin-Madison											
Virginia Polytechnic Institute and State University (Virginia Tech)											
Washington State University											
West Virginia University											

Table 2: Detail of "Crossover Points"

X = Compensation for 11 head and assistant football coaches exceeded or is projected to exceed the total "athlete scholarships and medical expenses" for ALL college athletes across all sports at that school

AFTERWORD

Knight Commission Solutions

The Knight Commission on Intercollegiate Athletics has developed a series of solutions to better align the governance, financial incentives, and revenues of Division I sports with the principles and core mission of college sports. The need to implement these solutions, or similar far-reaching reforms, is more urgent than ever to proactively address the influx of billions of new, *uncommitted* dollars in FBS programs from the expanded College Football Playoff (CFP). These recommendations are firmly grounded in the principles and values of college sports and can be achieved now by Division I leaders, without federal intervention.

The Knight Commission developed a series of solutions that address three key challenges in Division I:

1. **Use of Money.** Create new requirements that steer far more revenue directly to the education, health, safety, and well-being of college athletes, as well as to achieve equity across the board. On this point, recent drafts of federal legislation by two different bipartisan groups of U.S. senators would both place new athlete-centric spending requirements on universities that meet specific athletics revenue thresholds, similar to proposals in our 2021 C.A.R.E. Model report;[1]
2. **Alignment and Accountability.** Better align Division I sports with their governance, oversight, and financial accountability to redress the persistent misalignment between the NCAA's responsibility and authority for FBS football;[2] and,
3. **Incentives.** Alter national shared athletics revenue distribution to incentivize bedrock NCAA constitutional principles.[3]

Use of Money

In September 2021, the Knight Commission issued a report, Connecting Athletics Revenues with the Educational Model of College Sports—fittingly dubbed the *C.A.R.E. Model*. The C.A.R.E. Model requires that shared revenues are tethered directly to the educational purpose, with a special emphasis on the core principles of transparency, independent oversight, gender equity, broad-based athletics opportunities, and financial responsibility.

The C.A.R.E. Model lays out a conference-based approach to provide greater accountability for the spending of shared athletics revenues toward education-centric priorities. Found within the report are examples of bold and innovative approaches that conferences can take independently to regulate spending. For example, one approach could require conference schools to spend an amount equal to 50% of the funds received through the conference revenue distribution on athlete-centric expenses like scholarships and medical care. Another approach could place spending thresholds on categories of expenses, like total coaching salaries, and then impose penalties for exceeding such thresholds. Enforcing financial penalties for non-compliance with other types of policy is common practice for Division I conferences and could be used effectively in this context.

1 See articles on the "College Athletes Protection & Compensation Act" and the "Pass Act of 2023": "Three U.S. Senators unveil discussion draft of bill addressing NIL issues for NCAA athletes," USA TODAY, July 20, 2023 and "Pass Act aims to protect athletes, 'integrity' of college sports, *ESPN.com*, July 25, 2023.

2 FBS football is the only Division I sport for which the NCAA assumes responsibility and liability but does not control the sport's national championship nor the distribution of its championship revenues.

3 Specifically, the NCAA constitutional principles of "The Primacy of the Academic Experience," "The Collegiate Student-Athlete Model," "Student-Athlete Well-Being," "Diversity, Equity, & Inclusion," and "Gender Equity."

Alignment and Accountability

FBS football is the only Division I sport for which the NCAA assumes responsibility and liability but does not control the sport's national championship nor the distribution of its championship revenues. Instead, the sport's national championship (CFP) is managed by an independent entity, CFP Administration, LLC. The financial structure and the governance of Division I sports must be aligned to provide appropriate accountability for the oversight of FBS football and the distribution of its national championship revenues.

Below the Knight Commission offers two options (Options A and B) to address these issues:

OPTION A—New Governing Entity for FBS Football

In December 2020, our Commission issued a report Transforming the D-I Model: Recommendations for Change that proposed a new and separate governing structure for the sport of FBS football, dubbed the National College Football Association. This entity would govern competition for, and generate and distribute revenue from, FBS football. Funding for this new entity would come from new CFP revenue that is expected to grow from $600 Million to $2 Billion annually. Under this scenario, the NCAA would continue to govern competition for, and generate and distribute revenue from, all sports other than FBS football.

This option, featuring a separate and unified governing structure for FBS football, has growing support from FBS athletics directors.

As part of this new governing structure, as well as for NCAA Division I governance, the Knight Commission has championed the importance of adding independent directors to the associations' governing boards. It is critical to provide objective oversight to combat the self-interest that currently dominates governance decisions in the Division I revenue sports of FBS football and men's basketball. At the same time, governing boards for the NCAA and FBS football should include medical experts and current and former athletes with a legitimate voice in the governance process.

Even without a shift to a new governing structure for FBS football, the current Division I Board, and the separate CFP Board that currently manages and controls revenue from the FBS football national championship, can and should improve governance by adding independent directors to their boards.

OPTION B—NCAA Takes Control of College Football Playoff (CFP)

The other option to align authority with responsibility and financial accountability is for the College Football Playoff Administration, LLC to become part of the NCAA. In this scenario, the NCAA would control CFP operations and revenues, as is the case with all other sanctioned sports. The Knight Commission believes this option is very unlikely to occur and, thus deems Option A as the more achievable alternative.

Short of action on either of the above options, the following two financial accountability reforms should be implemented within the current governance system in which the NCAA continues to be the singular governing structure for *ALL* Division I sports (i.e., Division I sports with NCAA championships and FBS football).
These two reforms are:

Require the CFP to pay for the national expenses for the sport of FBS football.

Remarkably, the national expenses to operate FBS football—costs for enforcement, insurance, and litigation—are currently absorbed by the NCAA, even though the NCAA does not receive a dime of revenue from the multibillion-dollar enterprise of FBS football. LEAD1, an association of FBS athletics directors, estimated the NCAA's national costs to be more than $60 million dollars annually. If the CFP revenue covered the national costs of FBS football, the NCAA savings could be reallocated across all Division I institutions to help fund new Division I membership mandates and programs.

Alter the NCAA revenue distribution formula to be consistent with NCAA bylaws.

The second recommended reform is to revise the NCAA revenue distribution formula to be in keeping with current NCAA bylaws, which state that "only NCAA championship sports" are counted in the NCAA distribution calculation. This would exclude FBS football factors, such as its disproportionate number of athletic scholarships, from the formula since the CFP, not the NCAA, hosts the national championship event and makes decisions on all shared CFP revenue for the sport of FBS football. This simple and equitable change would result in more than $61 million becoming available for redistribution annually to Division I members, increasing money to non-FBS institutions. In fact, it is estimated that each non-FBS institution would receive more than $100,000 in annual distributions from this change alone.

In the Commission's view, these two changes in the NCAA revenue distribution formula could have been made in 2015, when FBS football launched a national championship with a revenue distribution system completely independent from the NCAA. As mentioned earlier, FBS football is now the only sport counted in the NCAA distribution for which the NCAA does not run its championship or control the revenue associated with the championship.

It is estimated that these two changes could result in a combined $120 million for redistribution annually.

Incentives

Financial incentives in the NCAA's shared revenue distribution formula should be updated to be consistent with NCAA constitutional principles, most notably to support the Association's commitment to diversity and gender equity.

Gender Equity: *Require that any financial incentives based on athletics success provide equitable rewards for the performance of women's and men's teams.*

The NCAA should address the gender discrimination in its current revenue distribution formula, which provides more than $170 million annually only for basketball success in its men's championship tournament. If the NCAA chooses to continue rewarding athletics success in its championship events with financial awards, it must reward the performance of men's and women's teams on an equitable basis. The 2021 Kaplan Hecker Fink Gender Equity report commissioned by the NCAA Board of Governors recommended actions to address these gender inequities in revenue distribution. Two years later, the NCAA still has failed to resolve this glaring inequity.

Racial Equity: ***Create a new Racial Equity Standard as a filter to achieve academic incentive units as part of the NCAA Academic Performance Program. This new Racial Equity Standard would set a maximum percentage gap between Black and White college athlete Graduation Success Rates for institutions to qualify for academic incentive awards.***

College sports can do more to close racial equity gaps and create more equitable pathways for Black college athletes during and after college.

Independent research contracted by the Knight Commission in 2022 found there are currently Division I institutions receiving financial incentives through the NCAA's Academic Performance Program that have more than a 25-percentage point gap between the graduation success rates of their White and Black athletes. As a result, the Knight Commission proposed a new Racial Equity Standard be used as a filter *before* institutions can receive Division I revenue incentives for academic success. This recommendation was positively received by the Committee on Academics (COA). The COA deferred action due to the Transformation Committee work, but with an absence of action in this area, the COA should now resolve the issue.

Sports Sponsorship: ***Boost rewards to schools that provide more athlete opportunities.***

To incentivize athlete opportunities, a new Sports Sponsorship category within the revenue distribution formula should be created to provide escalating awards to institutions that sponsor more than the median number of sports in Division I. This approach would incentivize the core value of opportunity—allowing more athletes to compete and earn degrees—and reward institutions that are investing more of their money by providing athlete opportunities. The current formula for awarding sports sponsorship is outdated and incentives to offer more than the minimum number of sports required for membership are minimal compared to other financial incentives currently provided.

These are well-researched solutions with the potential to fundamentally revise the alarming projections detailed in CLA's analysis. Presidents and college sports leaders are urged to take decisive action to alter the future of Division I sports and its current course so that more revenue directly advances the education, health, safety, and well-being of college athletes and promotes gender and racial equity.

Details for the above solutions can be found on the Knight Commission on Intercollegiate Athletics website.

Anyone interested in learning more may contact the Knight Commission at info@knightcommission.org

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