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

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."

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CLA Financial Analysis: Key Observations

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

2032 Projections for 54 Autonomy 5 Public Institutions

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

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**.

Spending Comparisons

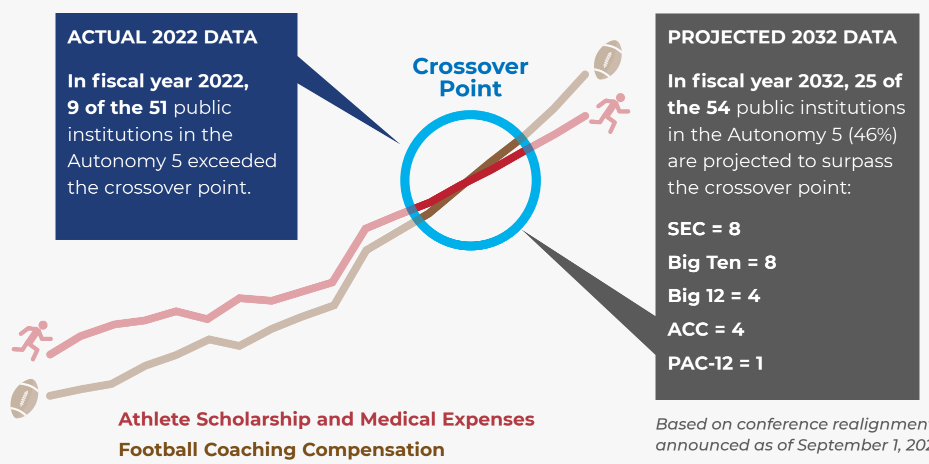
In fiscal year 2032, total compensation for 594 football coaches at 54 FBS public institutions in the Autonomy 5 conferences ($1.363 billion) will be just $9 million lower than spending on "athlete scholarships and medical expenses" combined ($1.372 billion) for more than 30,000 athletes across *ALL*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



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

See CLA Analysis Appendix D in the full report 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.