



Knight Commission
On Intercollegiate Athletics

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

C.A.R.E. Model

Connecting Athletics Revenues with the Educational Model of College Sports

2024 NCAA Convention Session and Zoom Webinar
Phoenix, Arizona
January 11, 2024



“The purpose of the **Knight Commission on Intercollegiate Athletics** is to develop, promote, and lead transformational change that prioritizes the **education, health, safety and success of college athletes.**”

Legacy of Influencing Change

- Academic threshold for post-season eligibility
- Academic incentives
- C.A.R.E. Model Conference Grants

2024 Knight Commission Members



Jonathan Alger

President
James Madison University

Eric Barron

President Emeritus
Pennsylvania State University

Pam Bernard

Vice President and General Counsel
Duke University

Christine Copper

Faculty Athletics Representative and Professor
US Naval Academy

Len Elmore

Attorney, TV Commentator,
Former NBA Player

Wayne Frederick

President Emeritus
Howard University

Kim Harmon

Professor, Head of the Sports Medicine Section
University of Washington School of Medicine

Chris Howard

Executive VP and Chief Operating Officer
Arizona State University

Amy Huchthausen

Chief Operating Officer, Stavvy
Former Commissioner, America East Conference

Derek Kerr

Former Executive Vice President and CFO
American Airlines

Shanteona Keys

Educator and Head Girls Basketball Coach
Cambridge High School; Former college athlete

Jonathan Mariner

Former Executive Vice President and CFO
Major League Baseball

Jacques McClendon

Vice President, Football Coaching Operations
WME; Former NFL Player

Jessica Mendoza

Television Commentator, ESPN,
Olympic Medalist, Softball

Judy Olian

President
Quinnipiac University

Jill Pilgrim

Principal Owner, Pilgrim & Associates Arbitration, Law
& Mediation; Former college athlete

Peter Roby

Athletics Director Emeritus
Northeastern University

Kendall Spencer

Associate, Foley & Lardner LLP
Former college athlete

Maribel Perez Wadsworth, Ex-officio

President and CEO
John S. and James L. Knight Foundation



A NEW REPORT IN THE SERIES: TRANSFORMING THE D-I MODEL

Connecting Athletics Revenues with the Educational Model of College Sports

C.A.R.E. Model of College Sports



Knight Commission
On Intercollegiate Athletics



DI Shared Athletics Revenues

Impacting distribution criteria and spending

Projected to be more than
\$7 Billion Annually in 2027

\$3.5 Billion Annually (2023)



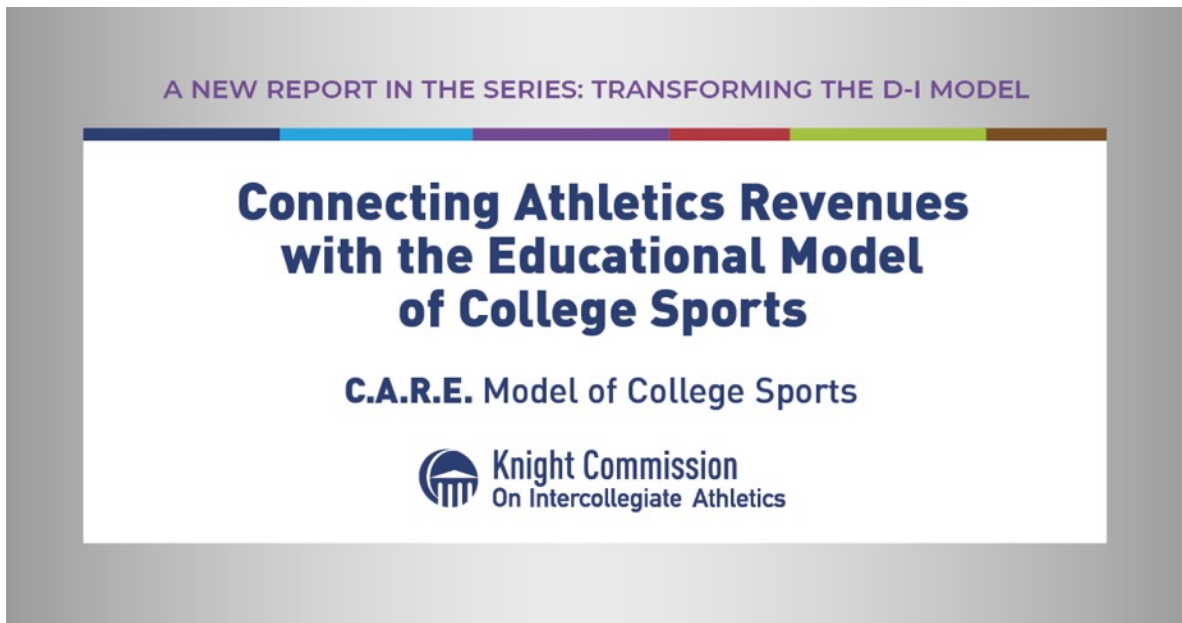
COLLEGE FOOTBALL
PLAYOFF

**32 DI
Conferences**
Networks,
media contracts &
championships





Principles to Impact Financial Framework Distribution Criteria and Spending



- 1. Transparency**
- 2. Independent Oversight**
- 3. Incentives for Core Values of Education, Gender Equity, and Opportunity**
- 4. Financial Responsibility for Education, Health, Safety, and Well-Being**



Principles to Impact Financial Framework

1. TRANSPARENCY

- Disclose financial distribution **plan**
- Disclose college athletes and athletics staff demographics and college athlete NCAA Graduation Success Rates

2. INDEPENDENT OVERSIGHT

- Revenue distribution plans **and** compliance with principles must be approved by an independent authority

For entities distributing more than \$100 Million in shared athletics revenue, additional requirements are needed.



Principles to Impact Financial Framework

3. INCENTIVES FOR THE CORE VALUES OF EDUCATION, GENDER EQUITY, AND OPPORTUNITY

Incentives reflect values.

Incentives inform decisions and impact spending.



Principles to Impact Financial Framework

Incentives for Core Values

If athletics performance incentives are distributed, 3 core values must also be incentivized:

EDUCATION

Incentivize and prioritize academic success

GENDER EQUITY

Equitably incentivize men's and women's team performance

OPPORTUNITY

Incentivize broad-based sports opportunities



Principles to Impact Financial Framework

Incentives for Core Values

If athletics performance incentives are distributed, then:

EDUCATION

Revenue distribution policies should incentivize academic success.



Academic Incentives at National Level



Distributes **\$49.4 Million annually** in Academic Incentives



Distributes **\$39.9 Million annually** in Academic Incentives

Both national entities currently meet C.A.R.E. Model for rewarding the value of education.



Academic Incentives at Conference Level

If conference collects national
Academic incentives:



Must pass through to earning
schools
AND/OR
Restrict use for academics only

If national academic incentives go
to schools directly



No conference action necessary



Principles to Impact Financial Framework

Incentives for Core Values

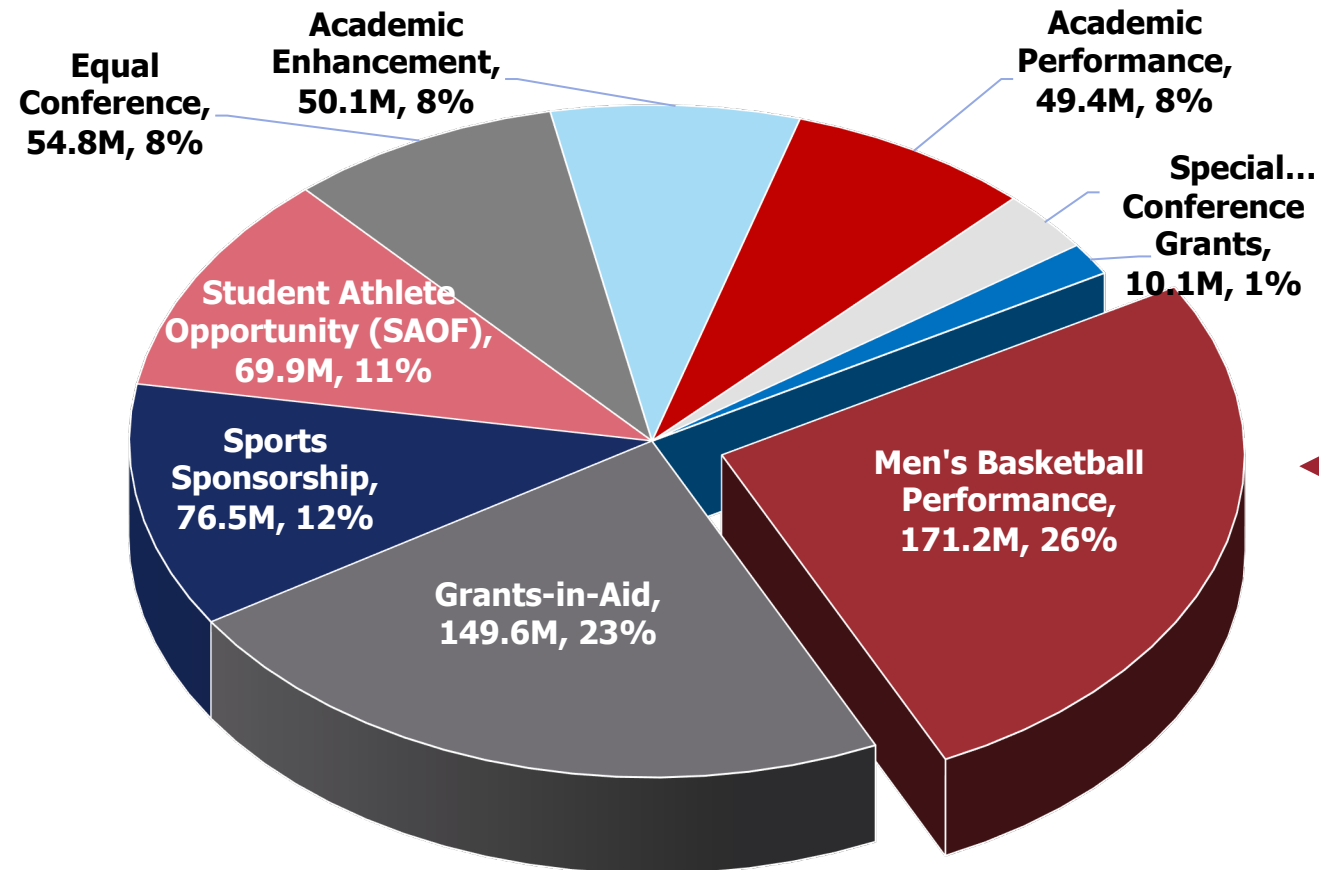
If athletics performance incentives are distributed, then:

GENDER EQUITY

Requires that any financial distributions based on athletics success provide equal rewards for performance of women's and men's teams.



Gender Equity Incentive at National Level



NCAA distributes \$650 Million to 364 Division I schools

26% based on **Men's Basketball Tournament Success**

0% based on success of any **Women's Sport**



Gender Equity Incentive at Conference Level

Incentives and/or expense reimbursements provided ONLY for **men's** postseason participation



Incentives and/or expense reimbursements provided equitably for **men's and women's** postseason participation





Principles to Impact Financial Framework

Incentives for Core Values

If athletics performance incentives are distributed, then:

OPPORTUNITY

Revenue distribution policies should incentivize broad-based sports opportunities.



Opportunity Incentive at National Level



The CFP distributes
\$48 million total in
football performance
incentives

Broad-Based Opportunity Incentive

\$48 million for FBS
schools with more than
the minimum number of
sports



Currently meets C.A.R.E. Model
criteria for rewarding the value of
opportunity



Opportunity Incentive at FBS Conferences

Since CFP football performance incentives do not comply with C.A.R.E. Model opportunity criteria

When an FBS conference receives CFP football performance bonuses, and redistributes to reward performance



The conference would be required to create opportunity incentives that match football performance incentives



Applying NCAA Opportunity Incentive at Conference Level

If athletics performance incentives are distributed, then:

And conference collects NCAA broad-based opportunity incentives:



Must pass through to earning schools
OR
Implement incentives that meet
C.A.R.E. Model criteria

If schools receive NCAA \$\$ directly



No conference action necessary



Principles to Impact Financial Framework

Incentives for Core Values

EDUCATION

Incentivize and prioritize academic success

Conferences do not need to wait.

GENDER EQUITY

Equitably incentivize men's and women's team performance

Conferences can take action to independently comply with C.A.R.E. Model criteria.

OPPORTUNITY

Incentivize broad-based sports opportunities



Principles to Impact Financial Framework

4. FINANCIAL RESPONSIBILITY

- Requires **incentives, penalties,** and **thresholds** to encourage athlete-centric spending
- **Conference-based approach**
 - Conferences have authority and responsibility
 - More likely to withstand antitrust scrutiny



Principles to Impact Financial Framework

Financial Responsibility: Targeted Athlete Centric Support Example

An amount equal to at least 50% of “shared athletics revenue distributions” must support athlete education, health, safety, and well-being and university academics.



50% Threshold Spending of Shared Athletics Revenue on Athlete-Centric Areas

*Data are adjusted for inflation and based on a three-year average using 2018, 2019, & 2022 fiscal years

Type of Institution	Ratio of Athlete-Centric Spending to \$1.00 of Shared Athletics Revenue received	Amount to reallocate to Athlete-Centric Spending to meet Benchmark
Median A5 public institutions that <u>do not meet</u> requirement (N=44)	\$0.32	\$8,531,916
Median A5 public institution that <u>meets</u> requirement (N=8)*	\$0.53	\$0
Median Group of 5 public institution* (N=55)	\$2.60	\$0
Median Football Championship Subdivision Institution* (N=71)	\$5.09	\$0
Median Division I institution no football * (N=45)	\$6.41	\$0



Principles to Impact Financial Framework

Financial Responsibility: Operating Expenses Example

Limits on “regulated” operating expenses

- Create limits or spending targets where spending rates have soared, such as a sum of coaching salaries and benefits or recruiting expenses
- **Incentives** for staying within limits and **penalties** for exceeding limits



Principles to Impact Financial Framework

Financial Responsibility: Luxury Tax Example

Addressing excessive coaching salaries through a “luxury tax” system.



Growing Support for C.A.R.E. Model

C.A.R.E. Model Endorsed By

21 Coaches Associations

Representing **30+** Sports with **240,000+** Athletes

LEARN MORE HERE



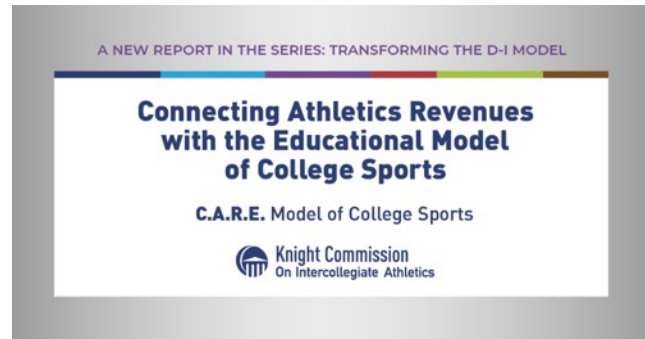
Knight Commission
On Intercollegiate Athletics



C.A.R.E. Model Conference Grant

2024 Knight Commission Initiative

C.A.R.E. Model Conference Grants to implement the four C.A.R.E. Model principles and to educate institutions, athletics administrators, and other stakeholders:



- 1. Transparency**
- 2. Independent Oversight**
- 3. Incentives for Core Values of Education, Gender Equity, and Opportunity**
- 4. Financial Responsibility for Education, Health, Safety, and Well-Being**



C.A.R.E. Model Conference Grant 2024 Knight Commission Initiative

Application Process

- Materials, FAQs and contact information will be available on **February 1, 2024** at knightcommission.org
- Conference application deadline: **April 15, 2024**
 - The minimum grant amount will be **\$15,000**
 - Grant amounts may vary by conference depending on the proposed plan
- Grants will be awarded by **July 1, 2024**



Questions and Answers

Thank you.