C.A.R.E. Model

Connecting Athletics Revenues with the Educational Model of College Sports

Implementation Template for DI Conferences (January 2024)

***Summary**: The C.A.R.E. Model is a four-point plan to restructure the way college sports distributes more the $3.5 billion in annual revenues (projected to be more than $7 billion annually by 2032) with athletes' education, health, safety, well-being, and gender equity at its heart.*

This template shows how each DI conference can use its authority to comply with the C.A.R.E. Model. A separate template is available for national entities that distribute shared athletics revenues.

OVERARCHING principles to guide distribution criteria & spending of shared athletics revenues	
C.A.R.E. MODEL PRINCIPLE #1	**RECOMMENDED ACTIONS FOR COMPLIANCE BY THE DI CONFERENCE**
Transparency. Requires public disclosure of conference revenue distribution policy, including whether the use of funds by recipients is discretionary or has a restricted use. If there is a restricted use, the percentage for such restricted use must be disclosed. A DI conference that distributes more than $100 Million annually must also disclose the amount of revenue distributed. Requires public disclosure of gender and ethnicity demographics of athletics program athletes and staff for institutions receiving distributions as well as college athlete NCAA graduation success rates.	**IMPLEMENTATION** • All DI conferences must publicly publish their revenue distribution plan that includes the distribution categories. • Only DI conferences that distribute more than $100 Million annually must also disclose the amount of revenue distributed. • Each member institution receiving distributions must publish on its public website the gender and ethnicity demographics of the athletics program athletes and staff, which are already required to be collected annually and reported to the NCAA for its Sports Sponsorship and Demographics Report. Each member institution must also publicly publish its NCAA Graduation Success Rate report.

<table>
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<tr><td>C.A.R.E. MODEL PRINCIPLE #2</td><td>RECOMMENDED ACTIONS FOR COMPLIANCE BY THE DI CONFERENCE</td></tr>
<tr><td>Independent oversight.
For Division I conferences that distribute less than $100 Million annually. Division I conferences in this category can accomplish independent oversight through an annual certification of compliance performed by an independent auditing firm and/or through an independent entity formed to perform such oversight as described below.
For DI conferences that distribute more than $100 Million annually. Division I conferences in this category should establish an oversight entity to approve revenue distribution plans and their compliance with these principles. This entity should be led by a board with a majority of independent directors, who are not employed by the conferences or national organizations or by those institutions that receive distributions from these organizations and are not representatives of any related corporate or media partners. In addition, at least one-third of the board should be current and former college athletes.</td><td>IMPLEMENTATION

A Division I conference that distributes <u>less than</u> $100 Million annually may accomplish independent oversight through the engagement of an independent auditing firm OR may choose to form an independent entity as described below.

Any Division I conference that distributes <u>more than</u> $100 Million in annual revenue is required to establish an independent entity to review its revenue distribution plan and compliance with the C.A.R.E. Model as described below:

For an oversight entity to be considered "independent," it must be led by a board with a majority of its directors who are not employed by or otherwise affiliated in any capacity with the conference or national organization or any of its members. Additionally, the independent members cannot be representatives of any related corporate or media partners <u>and</u> a minimum of one third of its members should be current or former college athletes.</td></tr>
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Principles to define criteria for VALUES-BASED INCENTIVES Required <u>ONLY IF</u> athletics performance incentives are provided to members by the DI conference	
C.A.R.E. MODEL PRINCIPLE #3	**RECOMMENDED ACTIONS FOR COMPLIANCE BY THE DI CONFERENCE**
Values-Based Incentives for Education, Gender Equity and Broad-Based Sports Opportunities. If a DI conference distributes an athletics performance incentive, the core values of education, gender equity, and broad-based sports opportunities must also be incentivized.	**APPLICATION CRITERIA** If a Division I conference **DOES NOT** distribute athletics performance incentives, there are <u>no further requirements</u> related to incentives for education, gender equity, or broad-based sports. If a DI conference **DOES** distribute athletics performance incentives, there must be compliance with the following requirements for incentivizing the core values of education, gender equity, and broad-based sports opportunities.
Values-Based Incentives for <u>Education</u>. Revenue distribution policies should reward the value of education if the value of winning is rewarded through athletics performance incentives. If a DI conference distributes an athletics performance incentive and collects national incentives for academic performance earned by its member institutions, the conference must either share those academic performance incentives directly with the institutions that earned them and/or restrict the use of those incentives for academic/education purposes only.	**IMPLEMENTATION** Does the DI conference distribute an athletics performance-based incentive? If <u>no</u>, nothing further is needed. If yes, and the DI conference collects national academic incentives from the NCAA or CFP, it must either share those academic performance incentives directly with the institutions that earned them and/or restrict the use of those incentives for academic/education purposes only. <u>Example</u>: If a DI conference collects the NCAA academic incentives, it may provide all or part the funding directly to the schools that earned the incentives to use at their discretion. If only part of the funds is distributed to the earning schools, the conference may distribute the remainder of the funds to the schools that did not earn an incentive but in this case, must require the funds to be used for academic or education purposes like remediation and academic support.

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(continued) Principles to define criteria for VALUES-BASED INCENTIVES Required ONLY IF athletics performance incentives are provided to members by the DI conference	
C.A.R.E. MODEL PRINCIPLE #3	**RECOMMENDED ACTIONS FOR COMPLIANCE BY THE DI CONFERENCE**
Values-Based Incentives for Gender Equity. Revenue distribution policies should be equitable with regard to gender. Incentives provided by a DI conference for athletics success must be equitable in rewarding the performance of women's and men's teams, regardless of how the revenue is generated since conferences are non-profit organizations with educationally related missions.	**IMPLEMENTATION** Does the DI conference distribute an athletics performance-based incentive? If no, nothing further is needed. If yes and the DI conference governs men's and women's sports, it cannot distribute any portion of revenues based on athletics success or for a post-season participation expense reimbursement in a men's sport(s) only. An equal incentive structure must exist for a women's sport(s). Example: A DI conference policy would meet the criteria if the policy is to award equal financial incentives for any men's and women's basketball teams that advance beyond the first round of tournament play in the NCAA basketball tournaments. If a men's team is the only team that advances beyond the first round, it would be permissible to provide the incentive to the institution for the success of the men's team only in this case. In years where both a men's and women's teams advance, equal success incentives must be awarded. Example: A DI conference policy would meet the criteria if the policy is to provide a post-season expense reimbursement that equals the value of 25% of a men's NCAA basketball unit to each men's and women's teams that participate in their respective NCAA basketball tournaments.

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Shared athletics revenues should be utilized to benefit all sports. The core benefits of intercollegiate athletic activities are universal and maintaining athletic opportunities is educationally valuable for colleges, universities, and athletes alike.

If a conference has an athletics performance incentive, the conference is not required to provide incentives for broad-based sports opportunities at an equal level, provided any national incentives for broad-based opportunities (e.g., sports sponsorship) are passed through or shared directly by the national entity or entities with the member institutions earning such incentives.

Additionally, for any conference that distributes athletics performance incentives awarded by a national distribution entity that does not comply with this requirement (e.g., CFP distribution that rewards football performance but not broad-based sport opportunities), the conference must implement incentives for broad-based sports opportunities to match any performance incentives the conference decides to distribute from the non-compliant National Revenue Distribution Entity.</td><td>IMPLEMENTATION

Does the DI conference distribute an athletics performance incentive? If <u>no</u>, nothing further is needed.

If <u>yes</u>, the conference must provide incentives for broad-based opportunities at an equal amount to the athletics performance incentives, unless <u>each</u> of the following conditions are met:

a) National Revenue Distribution Entities (i.e., CFP, NCAA) distributing athletics performance incentives to the conference comply with this criterion of providing matching athletics performance and broad-based sports opportunity incentives; and
b) National incentives for broad-based opportunities (e.g., NCAA sports sponsorship incentives) are passed through or shared directly by the National Revenue Distribution Entity with the member institutions in the conference earning the opportunity incentives.</td></tr>
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Principles to direct SPENDING of shared athletics revenues. A conference-based approach is recommended for this principle because conferences have the authority to set policy on how member schools use shared revenues, even national revenues that flow to the conferences, and conference-level action is more likely to withstand antitrust scrutiny than collective national action.	
C.A.R.E. MODEL PRINCIPLE #4	**RECOMMENDED ACTIONS FOR COMPLIANCE BY THE DI CONFERENCE**
Financial responsibility for athlete education, health, safety, and well-being. Division I conferences that distribute shared athletics revenues should implement a system that measures how the spending of such revenues are used to support athlete education, health, safety, and well-being, university academic programs, and athletics programs that provide broad-based opportunities and achieve racial and gender equity.	**IMPLEMENTATION** The conference must implement a financial responsibility plan to achieve the stated principle. Such a plan might provide meaningful spending targets, incentives, and/or penalties to encourage spending consistent with the broad educational mission of college sports. Specific examples are provided beginning on page 6 in the full C.A.R.E. Model Report. Financial modeling is provided in the report showing that all Division I conferences other than the Autonomy Conferences could fully implement the Financial Responsibility principle by choosing the example that follows: Example: A Conferences can require each member institution to spend an amount equal to at least 50 percent of "shared athletics revenue distributions" on the education, health, safety, and well-being of college athletes and/or university academics. Revenues that are received from the NCAA and/or CFP (either directly, or indirectly via their conference) as well as conference-generated revenues from media contracts and conference tournaments would comprise the "shared athletics revenue distribution" that is subject to the 50 percent standard.

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