

Feb. 28, 2024 **Statement on Future College Football Playoff (CFP) Media Deal and the Necessity for Change Amy Privette Perko, CEO, Knight Commission on Intercollegiate Athletics**

Media reports indicate that the College Football Playoff (CFP) is working to complete a new media deal that could result in more than *\$700 million in new and uncommitted annual revenue*. This impending CFP deal must lead to new governance and management of the sport of FBS football and of the biggest pot of money in the history of college sports. With an annual contract that is expected to exceed \$1.3 billion, the independently operated CFP will generate more annual revenue than the NCAA. Yet remarkably, the NCAA receives no money from the sport of FBS football, even though the NCAA and all of its member institutions absorb the national costs of FBS football (e.g., catastrophic health insurance, rules enforcement, legal expenses).

The FBS conferences, which control CFP revenue, do not require *any* CFP dollars to be earmarked for athlete education, health, and safety. Spending data provide overwhelming evidence that a new financial framework for managing CFP revenue is desperately needed. Since the CFP began, <u>football coaching salaries have grown faster</u> than all other aspects of athletics and institutional spending, fueling exorbitant salaries and lavish <u>severance</u> <u>packages</u>. Without earmarks or restrictions on these new CFP revenues, these dysfunctional patterns <u>will only</u> worsen, with nearly half of all football programs in the "autonomy conferences" projected to spend more on <u>compensating 11</u> "countable" football coaches than on funding for athlete scholarships and medical expenses for *all* college athletes in *all* sports at each school.

The Knight Commission reaffirms its 2020 recommendation that the sport of FBS football should be governed by a new entity, separate from the NCAA and funded by CFP revenue. This change would benefit the sport of FBS football, providing a single leadership structure to couple authority of revenue administration with authority over rules administration. The new structure should also include meaningful football athlete representation and independent directors to provide unbiased and expert input. New representation in the governance of the sport could include medical experts, former head coaches, former FBS football players, and other independent voices. Additionally, independent directors will reduce existing conflicts of interest, which are evident in ongoing disagreements on a postseason structure and revenue distribution. A separate FBS football-centric structure would also allow the NCAA to better support and concentrate on the sports for which it conducts championships.

The following minimum changes should be made to recognize the CFP monies for what they are – FBS football's exclusive and unrestricted revenue distribution plan:

- 1. The CFP should annually reimburse the NCAA for all national costs related to FBS football, such as catastrophic health insurance, rules enforcement, and legal costs.
- The sport of FBS football should no longer be counted in the NCAA's revenue distribution formula since the NCAA does not operate the FBS football championship and receives no revenue from the sport. This change would allow more than <u>\$60 million in NCAA revenue distribution, currently tied to counting FBS football</u> <u>factors in the distribution formula</u>, to be reallocated.
- 3. With or without a governance overhaul, FBS conferences and institutions receiving CFP revenues should adopt the principles included in the <u>Knight Commission's C.A.R.E. Model framework</u>. This principle-based framework is tethered to the educational model by prioritizing college athlete education, health, safety, well-being, gender equity, and sports opportunities. It directs both how revenues from the CFP, the NCAA, and conference media rights agreements should be used as incentives, as well as providing accountability for how the revenues should be spent.

Our recommendations would significantly boost the importance of education and athletic opportunities for hundreds of thousands of college athletes in *all* NCAA championship sports. These sports are essential to the NCAA's mission and are the backbone of our <u>nation's Olympic efforts</u>.

It is time for the CFP, and the FBS conferences and institutions that receive these revenues, to establish new measures of accountability so that the \$700 million in *new, uncommitted* revenue supports the core mission of college sports.