



A FOUR-PART SERIES

TRANSFORMING THE NCAA D-I MODEL

SESSION 1

FOLLOW THE MONEY: BREAKING DOWN D-I FINANCES

Wednesday, September 16
from 1pm - 2pm ET

Session will
begin shortly



Knight Commission
On Intercollegiate Athletics



Jonathan Mariner

Knight Commission Member
Former MLB EVP and CFO



Carol Cartwright

Knight Commission Co-Chair
Pres. Emeritus, Kent State U

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Welcome

Alberto Ibargüen
President,
John S. and James L. Knight Foundation

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Click on the Q&A icon to
submit questions



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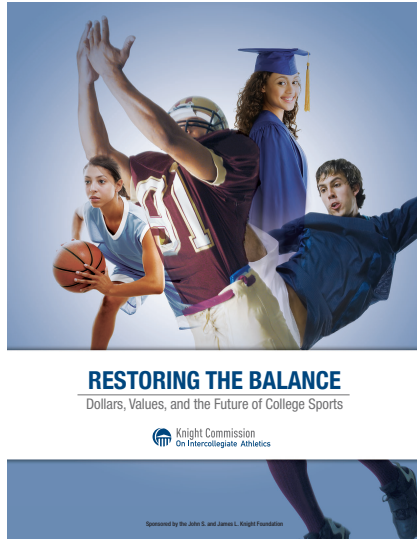
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Restoring the Balance: Dollars, Values and the Future of College Sports



- Key recommendation: require greater financial transparency of athletics spending.
- Enhances the ability of schools to ensure athletics programs are advancing the mission of higher education.

College Athletics Financial Information (CAFI) Database



- Knight Commission user-friendly database that details Division I revenues and expenses
- Based on institutionally-reported data

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Amy Perko

Chief Executive Officer



Scott Hirko

Project Manager,
College Athletics
Financial Information
(CAFI) Database



AJ Maestes

Founder and CEO,
Navigate

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Information for Public Attendees

- All public attendees will be muted throughout the panel presentation.
- If you have a question, please click on the Q&A icon on your control panel. You can type a question at any time.
- At the conclusion of the presentation, questions will be selected from those entered in the Q&A. If we don't get to your question in this session, we will follow up after the webinar.
- Today's session is being recorded and will be available on the Knight Commission web site tomorrow.

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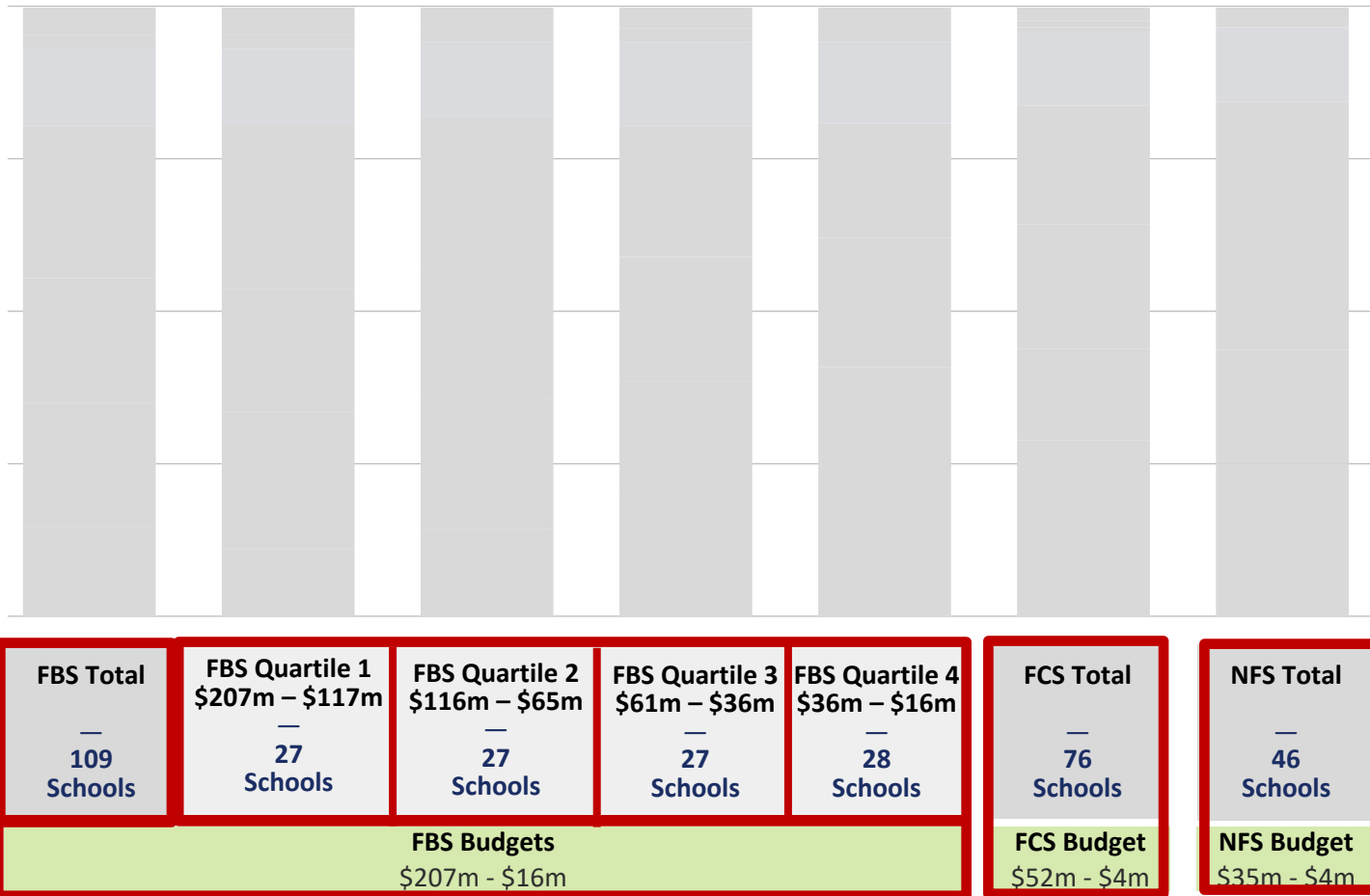
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NCAA Division I Public Institutions, 2018

Subdivision Make-Up and Budget Ranges



Data Source: 2017-18 NCAA Financial Reports

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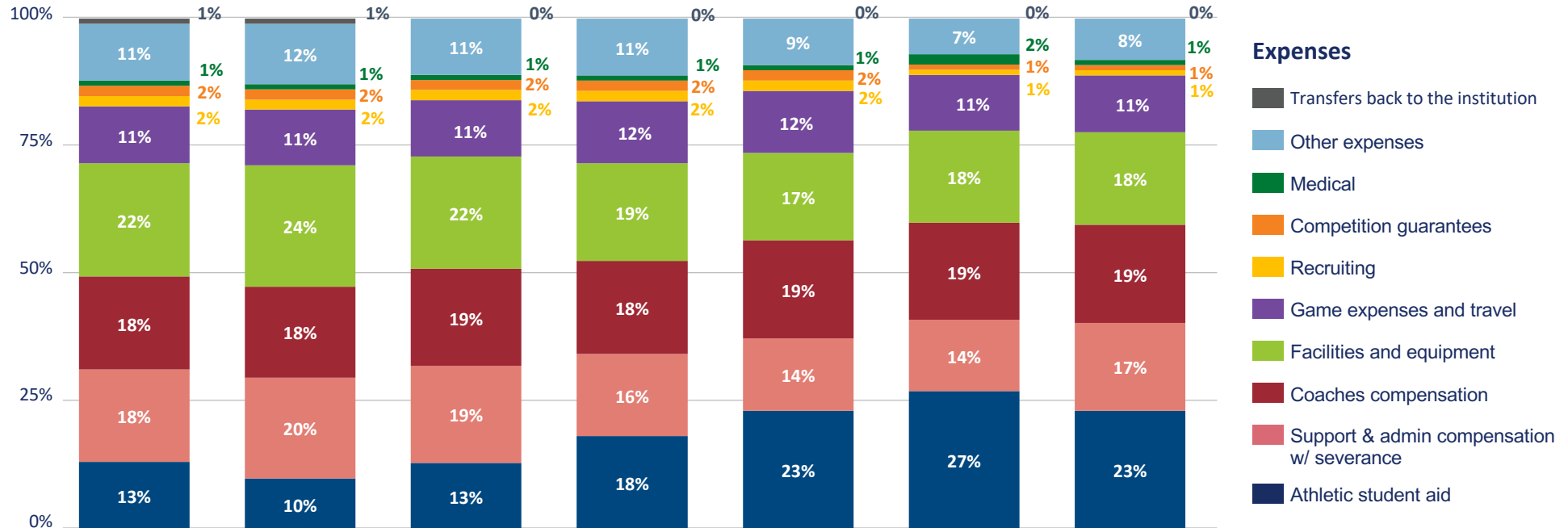
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NCAA Division I Public Institutions, 2018

Where the Money Goes...

Athletics Department Expenses



FBS Total	FBS Quartile 1	FBS Quartile 2	FBS Quartile 3	FBS Quartile 4	FCS Total	NFS Total
—	\$207m – \$117m	\$116m – \$65m	\$61m – \$36m	\$36m – \$16m	—	—
109 Schools	27 Schools	27 Schools	27 Schools	28 Schools	76 Schools	46 Schools
FBS Budgets \$207m - \$16m					FCS Budget \$52m - \$4m	NFS Budget \$35m - \$4m

Data Source: 2017-18 NCAA Financial Reports

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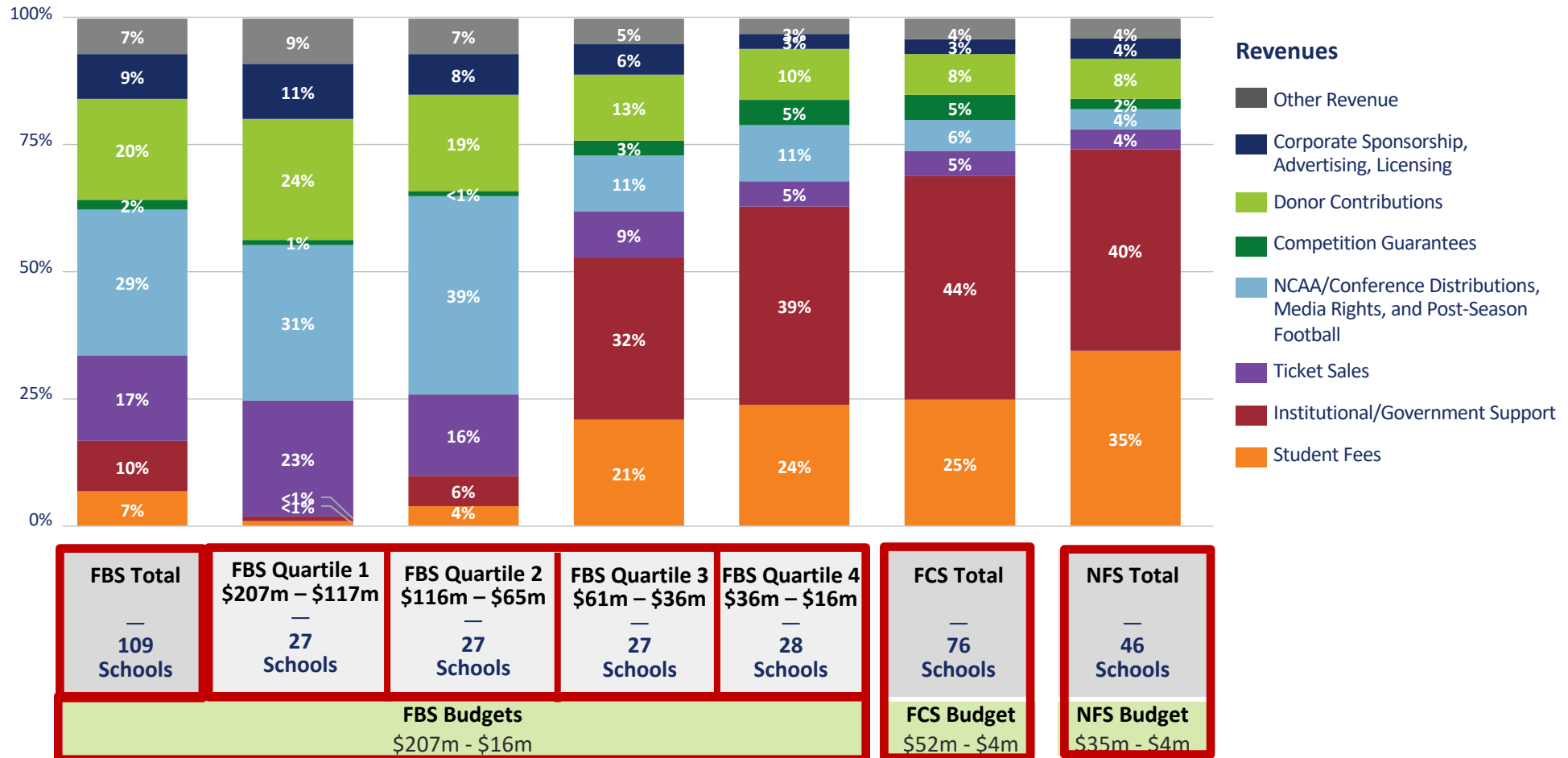
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NCAA Division I Public Institutions, 2018

Where the Money Comes From...

Athletics Department Revenue



Data Source: 2017-18 NCAA Financial Reports

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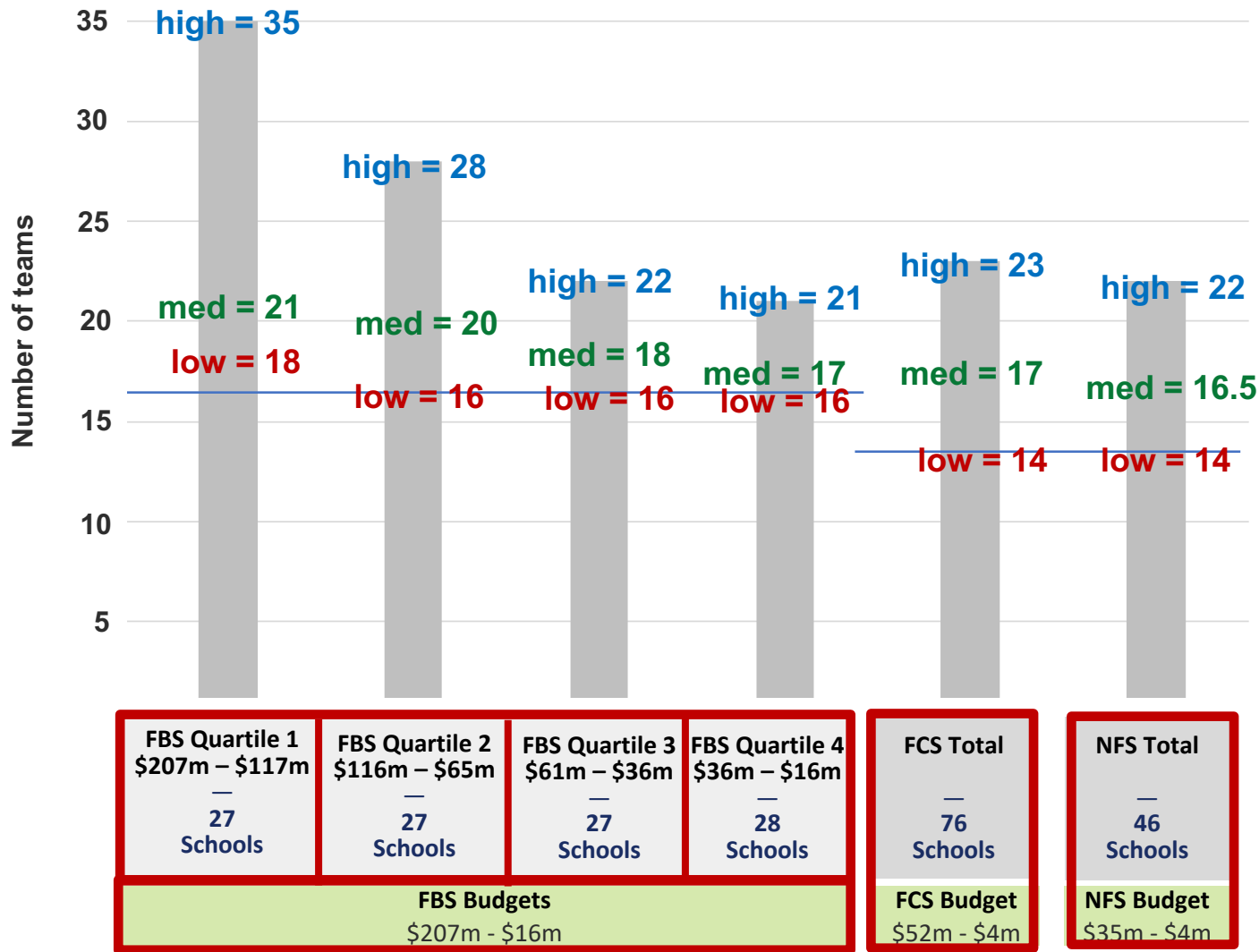
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NCAA Division I Public Institutions, 2018

A Look at Sports Opportunities: Highs, Medians and Lows



FBS =
16 minimum
required teams

FCS & NFS =
14 minimum
required teams

Data Source: 2017-18 NCAA Financial Reports

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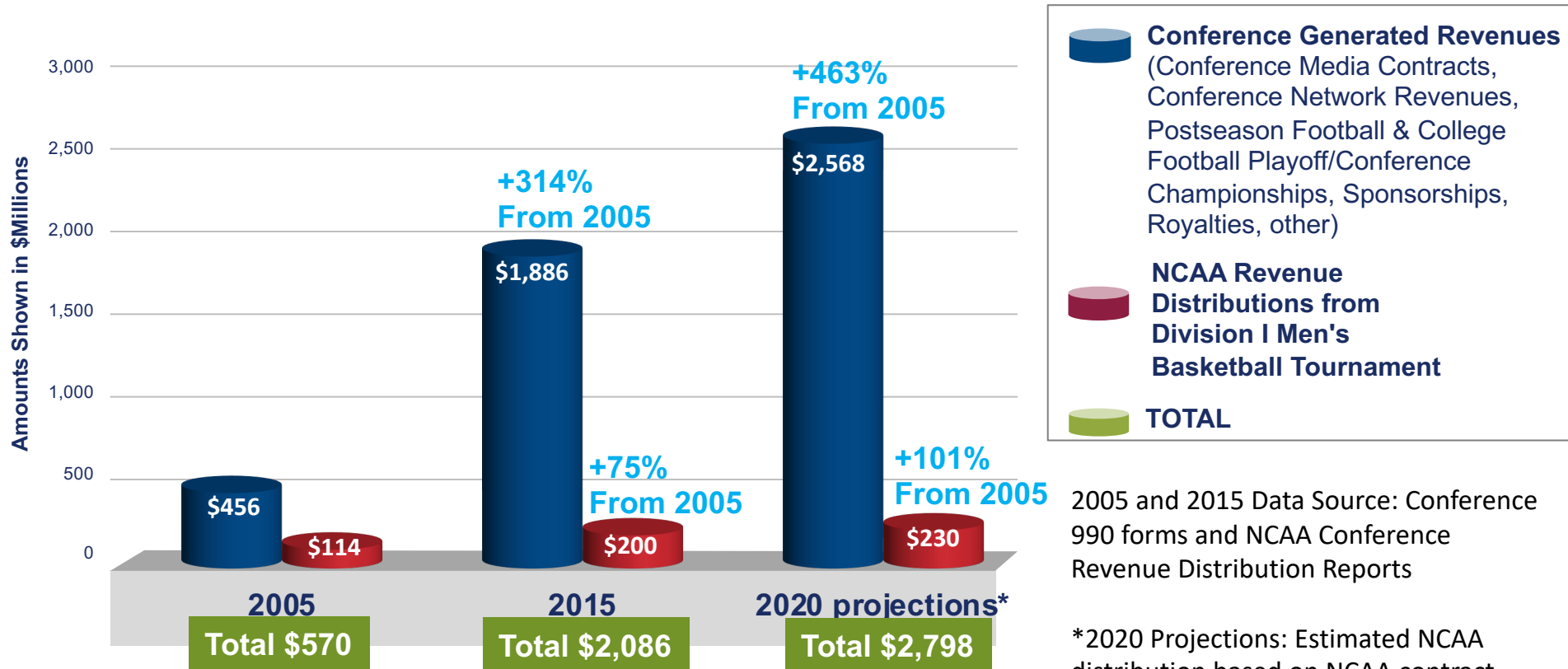
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How the Money Has Changed

Overview to Explain Impact of Media Revenue Growth

Revenues from only Two Major Sources for "Power 5" Conferences (ACC, Big 10, Big 12, PAC-12, SEC)



2005 and 2015 Data Source: Conference 990 forms and NCAA Conference Revenue Distribution Reports

*2020 Projections: Estimated NCAA distribution based on NCAA contract increases and assuming similar distribution levels; increases in conference media contracts based on new deals and contract escalations reported in media sources.

Presented to Knight Commission, May 2016

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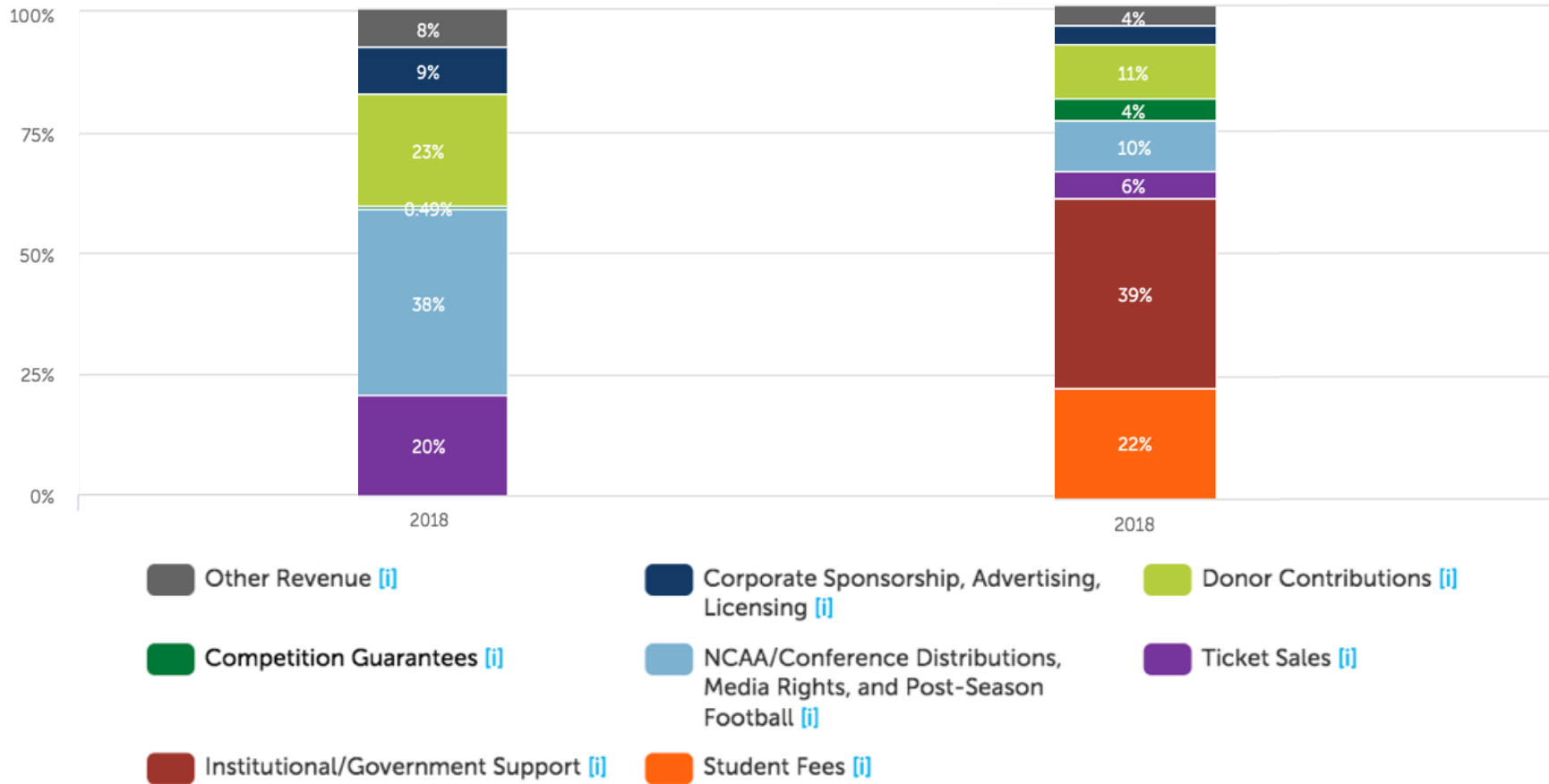
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NCAA Division I-FBS ALL Public Institutions: Percentage of Budget from Revenue Sources, 2018

“Power 5” Conference members (ACC, Big 10, Big 12, SEC, PAC-12)

“Group of 5” Conference members (AAC, C-USA, MWC, MAC, Sun Belt)



Amounts reflect current dollars.

Source: CAFI Database,
<http://cafidatabase.knightcommission.org/reports/21a72f35>

<http://cafidatabase.knightcommission.org/reports/b4ea99c6>

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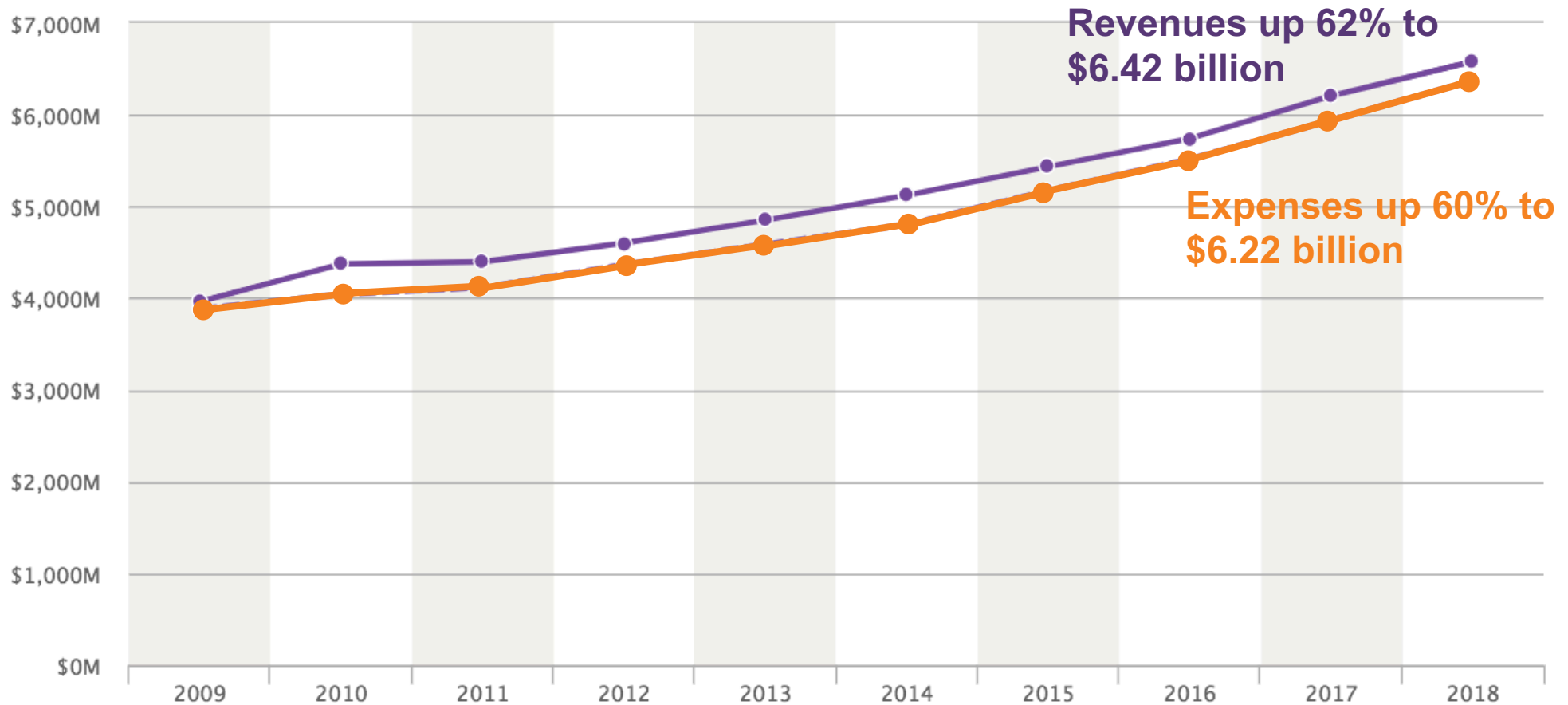
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Revenue & Expense Growth POWER 5 Public Institutions, 2009-2018



Amounts reflect CPI inflation-adjusted dollars.

<http://cafidatabase.knightcommission.org/reports/5f44fa6c>

Note: The Power 5 total differs slightly from the September 16, 2020 presentation due to a recalculation from data inconsistencies.

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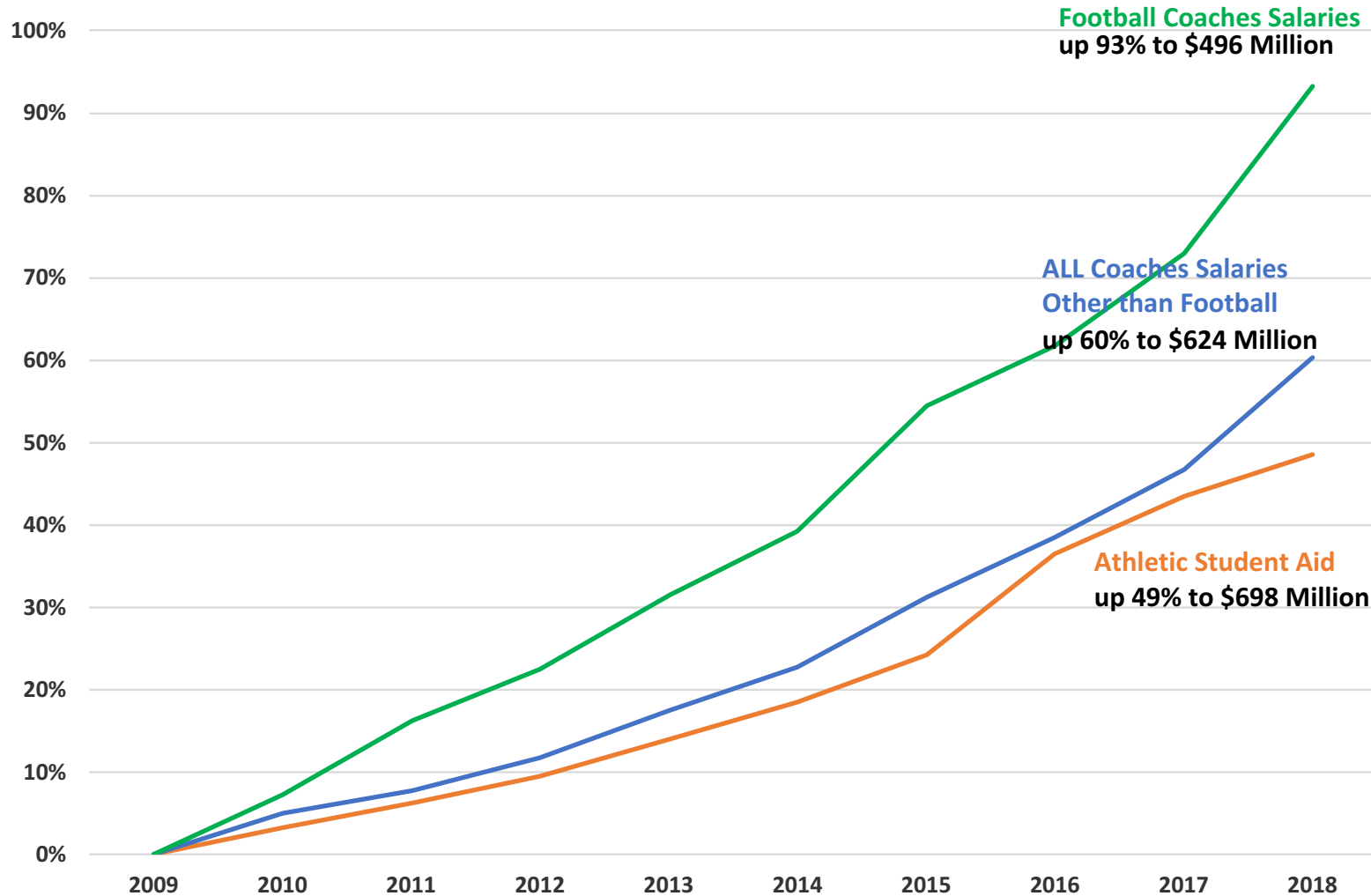
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Change in Growth of Coaching Salaries and Student Aid 51 POWER 5 Public Institutions, 2009-2018 Adjusted for Inflation



Sources: CAFI Database (2020), <http://cafidatabase.knightcommission.org/reports/0df843ba>
EADA Database, US Dept. of Education (2019)

Note: The Power 5 total differs slightly from the September 16, 2020 presentation due to a recalculation from data inconsistencies.

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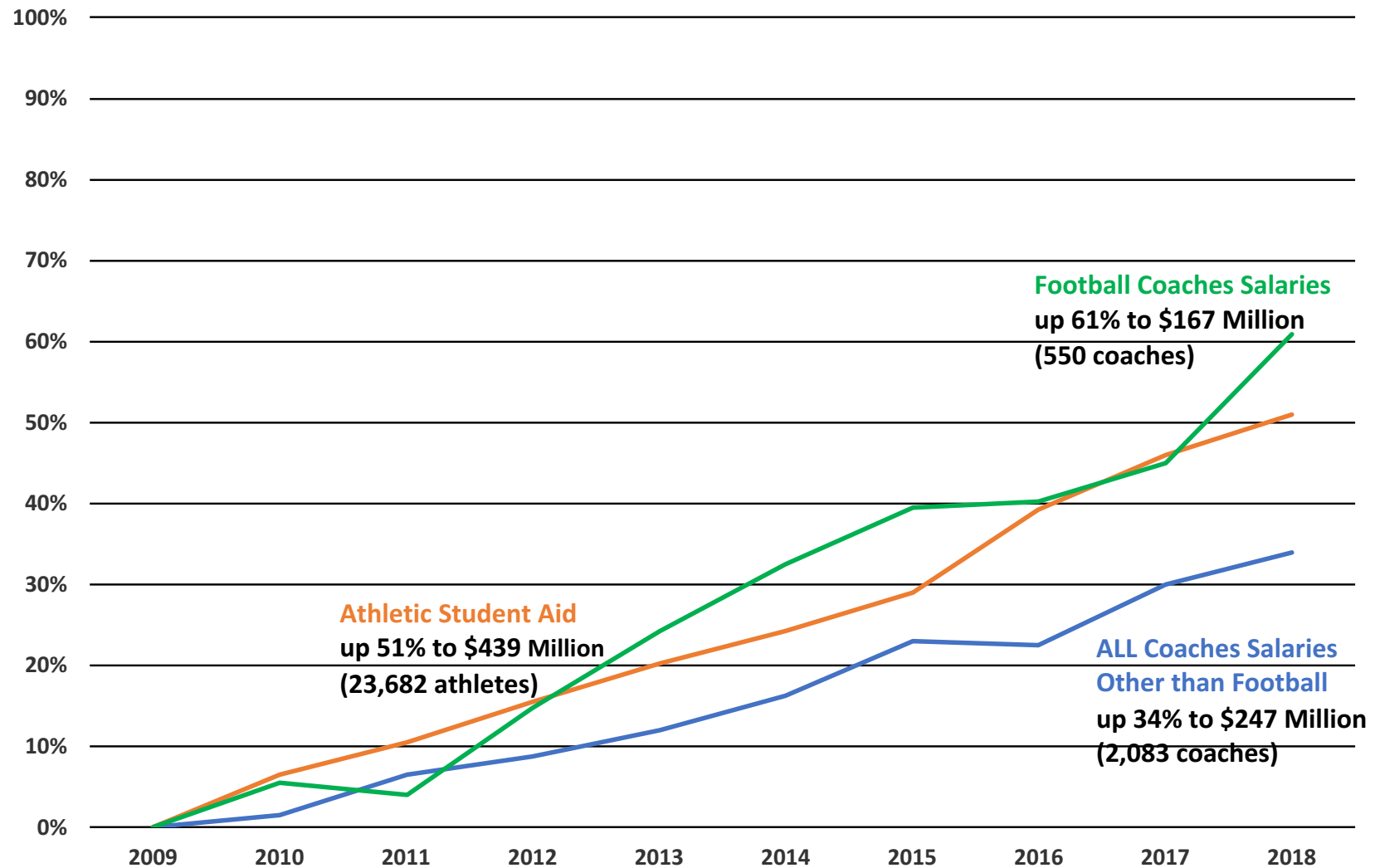
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Change in Growth of Coaching Salaries and Student Aid

GROUP OF 5 Public Institutions, 2009-2018

Adjusted for Inflation



Sources: CAFI Database (2020), <http://cafidatabase.knightcommission.org/reports/acae5ccc>
EADA Database, US Dept. of Education (2019)

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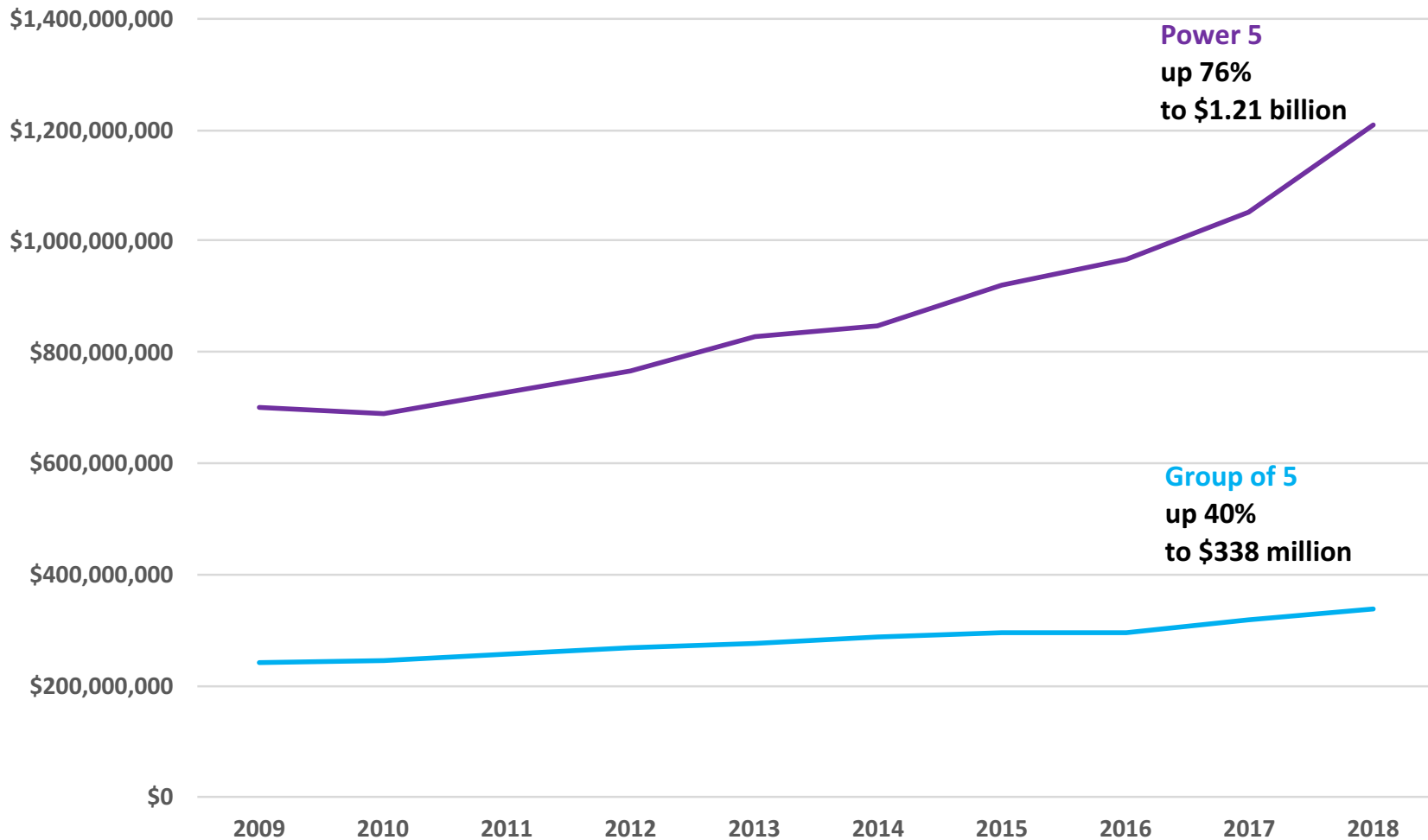
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Growth in Staff Compensation with Severance Pay

51 FBS Public Institutions, 2009-2018

Adjusted for Inflation



Source: CAFI Database, <http://cafidatabase.knightcommission.org/reports/b39bde42#>
<http://cafidatabase.knightcommission.org/reports/885127cf>

Note: The Power 5 total differs slightly from the September 16, 2020 presentation due to a recalculation from data inconsistencies.

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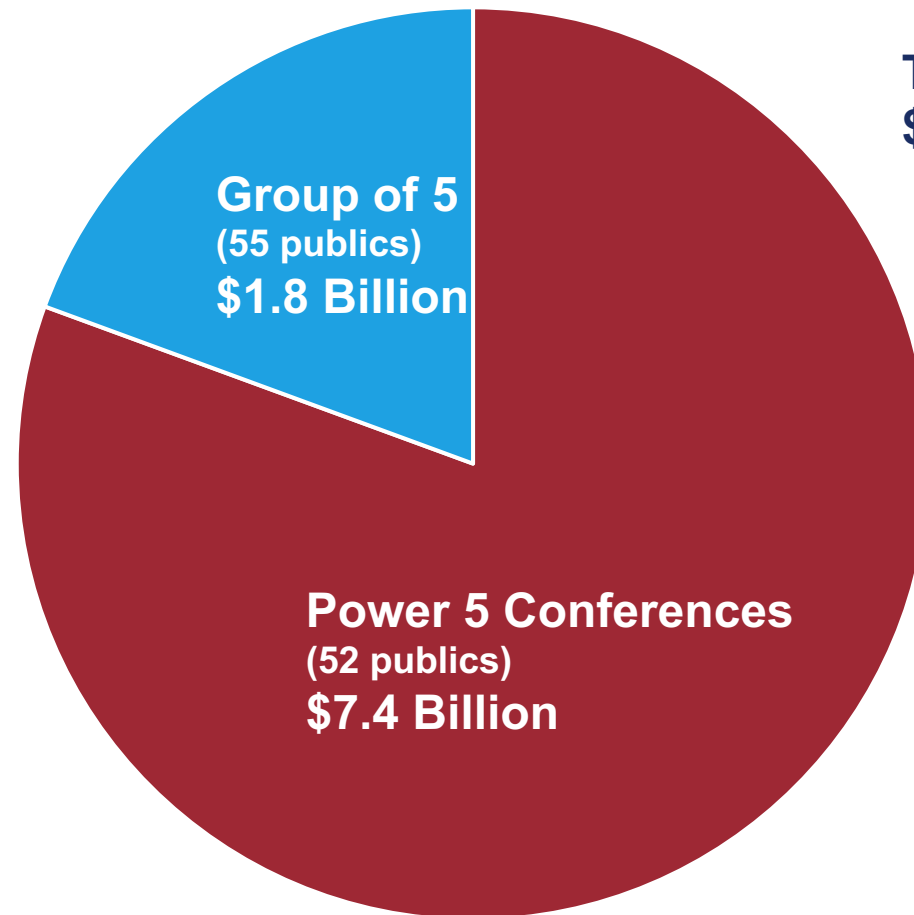
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Amount of Athletics Debt POWER 5 and GROUP OF 5 FBS Public Institutions, 2018



**Total *FBS Debt:
\$9.2 Billion**

**(*107 public institutions-
does not include military
academies)**

<http://cafidatabase.knightcommission.org/reports/04e7077d>

<http://cafidatabase.knightcommission.org/reports/a195596a>

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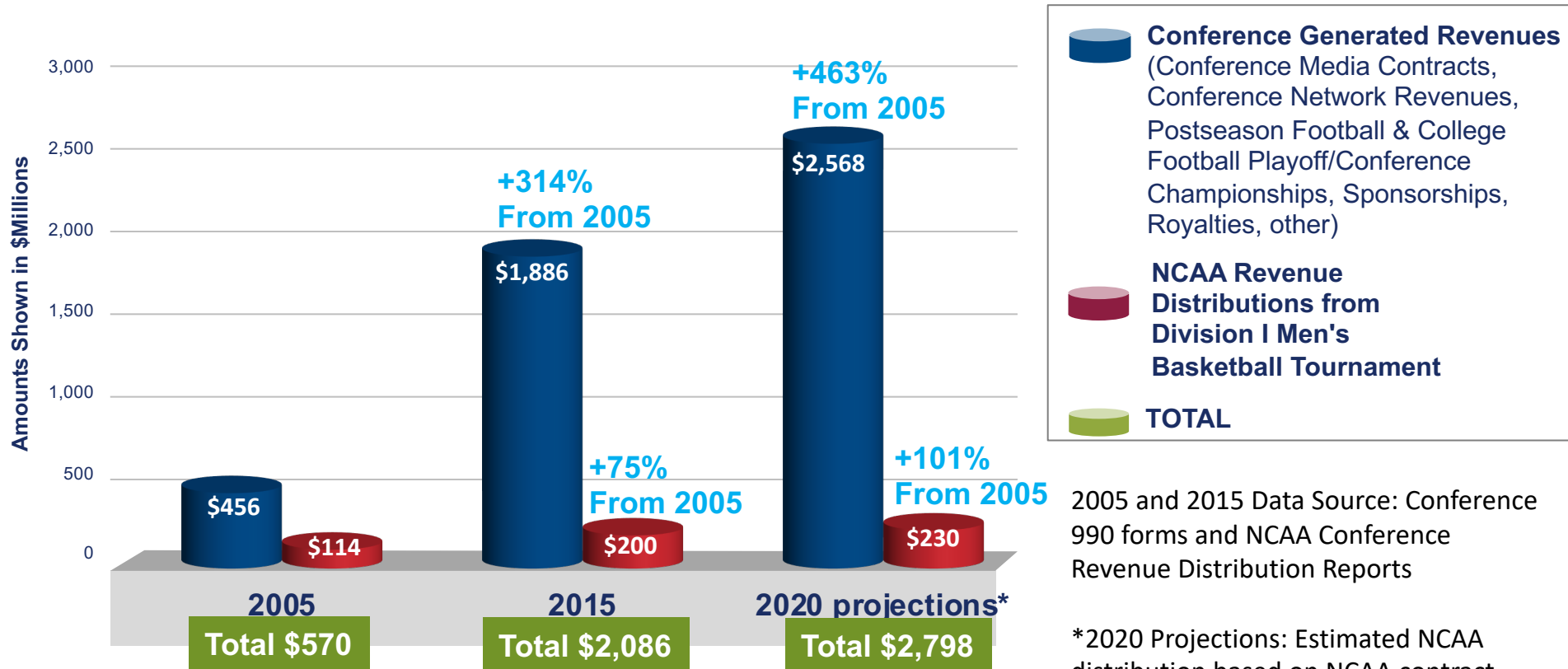
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Presented to Knight Commission, May 2016

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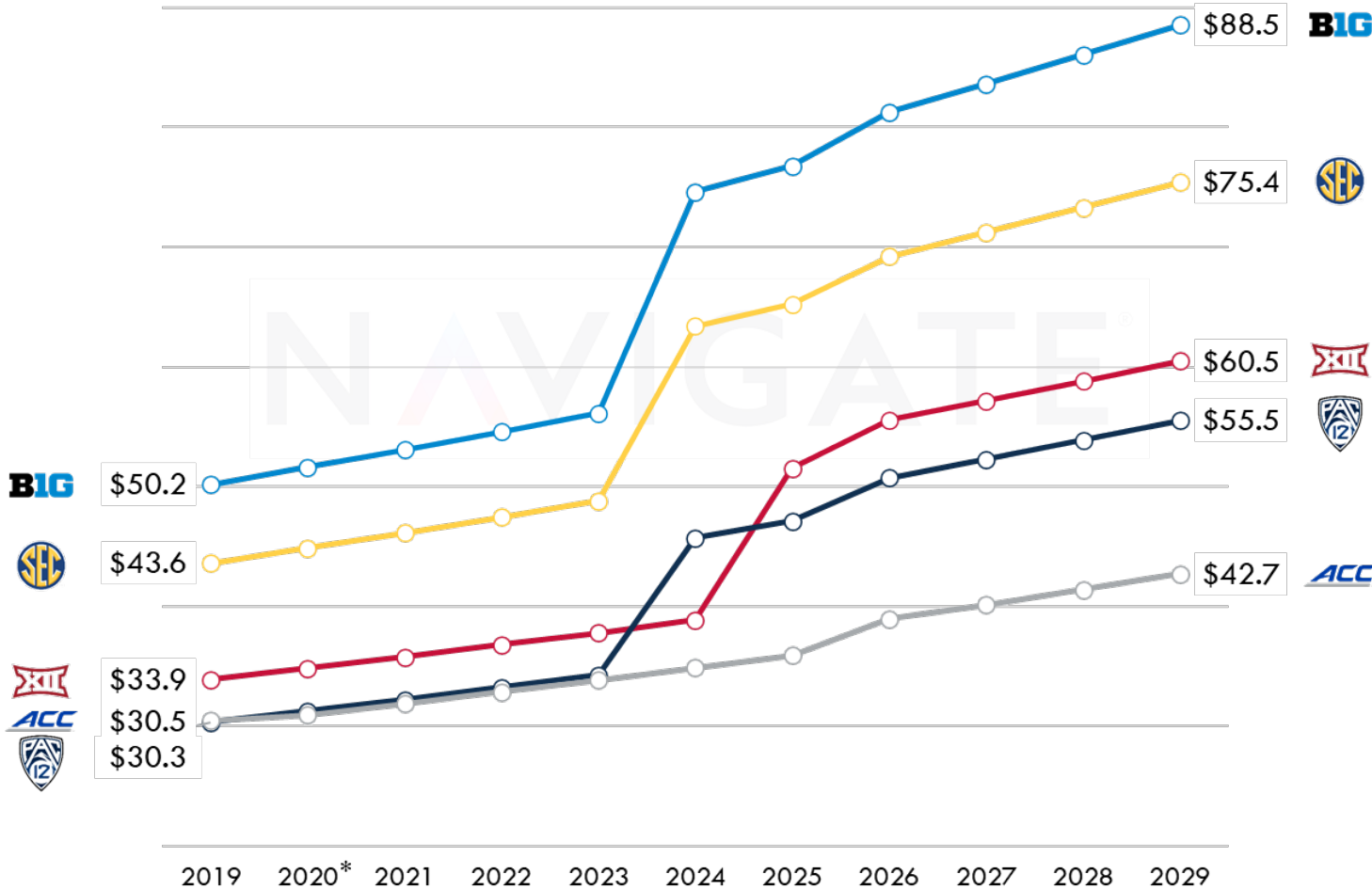
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A5 AVERAGE PAYOUT PER MEMBER ESTIMATES (\$M)

Next 10 Years

NAVIGATE®



KEY ASSUMPTIONS & CAVEATS

These estimates include all Tier I, II, and III media rights for each conference

These estimates are based on historical growth rates in college and pro media rights deals

These estimates do NOT reflect any strategies conferences may adopt in the structuring of their media rights, the negotiation process, or other potential moves to maximize value

These estimates include additional revenue from NCAA units, bowl payouts, conference championships and other revenue streams beyond media rights; all of these non-media rights revenues are assumed to have steady growth rates

These estimates include a new CFP agreement in 2026

Source: Navigate – www.NVGT.com

*Does not account for COVID-related losses due to unknown impact at the time of projections

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Key Points

- Across Division I – widening gap in financial resources
- FBS Football, particularly in Power 5, has accelerated the widening gap in DI.
- Trends for Power 5 conferences prior to pandemic demonstrate disproportionate increases in football coaching salaries, administrative staff and facilities expenditures (debt service).
- Pandemic will have huge impact on FY20 and FY21 due to lack of reserves.
- Impact beyond FY 21 is uncertain; will prior trends return?

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Key Questions

Where **Will** the Money Go?

Where **Should** the Money Go?

What Could a **New Model** Look Like?

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INSTRUCTIONS FOR Q&A

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- Please note if your question is for a specific panelist.
- If you are with the media, please identify your news organization.
- If we do not get to your question in this session, we will follow up after the webinar.

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NOW

SESSION 1

9/16

FOLLOW THE MONEY: BREAKING
DOWN D-I FINANCES

SESSION 3

10/6

WHAT D-I LEADERS THINK: NEW
SURVEY FINDINGS ABOUT REFORM

SESSION 2

9/30

A NEW ANALYSIS OF THE D-I REVENUE
DISTRIBUTION FORMULA INEQUITIES

SESSION 4

TBA

RECOMMENDATIONS FOR CHANGE

ALL SESSIONS ARE FROM 1:00 - 2:00 P.M. ET

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Thank you for attending.

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