

POSITION STATEMENT

Failing to Confront the “Elephants in the Room” – The Drake Group Comments on the Knight Commission Proposal to Transform the NCAA D-I Model¹

On December 3, 2020 the Knight Commission on Intercollegiate Athletics issued a formal report, “Transforming the NCAA D-I Model: Recommendation for Change” offering the following three recommendations for governance reform:

- a. Create a new entity to govern FBS football over which the NCAA will have no control, funded by the College Football Playoff which the NCAA does not own.
- b. All other sports and levels of football competition would continue to be governed by the NCAA. However, the NCAA would revoke the current FBS conferences’ majority control of the NCAA Board of Governors and weighted voting advantage on other committees, restoring the one member/one vote system that served the NCAA prior to 1996.
- c. The NCAA organization and the new football association) would adopt common governing principles for which college presidents and chancellors would be held accountable.

It is with utmost respect for the stature and experience of the members of the Commission that The Drake Group offers the following critique and recommendations. The Drake Group gives kudos to the Knight Commission for its call for a “reset” of college athletes and urging Presidents and Chancellors to play their rightful leadership role in demanding such reform. We appreciate the fact that changing the NCAA, a 115-year-old governance organization, is incredibly hard and agree that the time is right for bold and aggressive proposals. Unfortunately, the proposed reforms are neither bold, nor aggressive and disappointing in that they are devoid of any specificity in remedying embarrassing college athlete education outcomes. Sacrificing 16,000 FBS football players to remain under the control of the highly commercialized and educationally corrupt new football association doesn’t change a system of exploitive practices. Requiring FBS institutions to be members of two governance associations with different rules systems creates a significant and unnecessary administrative burden, increases the possibility of gender inequities (Title IX violations) as competitive pressures in football will continue to

¹ Preferred citation: Lopiano, D., Gurney, G., Zimbalist, A., Porto, B., Ridpath, D.B., Sommer, J., Lever, K., Gill, Emmett, and Thatcher, S. (2020) Failing to Confront the “Elephants in the Room” – The Drake Group Comments on the Knight Commission Proposal to Transform the NCAA D-I Model. Retrieve from: <https://www.thedrakegroup.org/positions-issues/official-positions/>

drive special and favored treatment of male football athletes, and having two different standards of what is the educationally acceptable conduct of varsity sports programs simply doesn't make sense.

The Knight Commission undertook a survey in the summer of 2020 of Division I leaders (presidents, athletic directors and conference commissioners) that identified major Division I discontents:

- a. *A lack of common values about what athletic programs should be at educational institutions*
- b. *A broken financial model*
- c. *Inequity in national revenue distributions from marquee championships; and*
- d. *Dissatisfaction with national governance, with limited consensus about how governance should be changed*

Transforming the NCAA D-I Model -- p. 10

We believe that a reset will be successful only if these concerns are directly addressed. We also believe that the leaders of FBS programs regularly engage in hiding the unseemly undersides of college sport that lay at the root of the above discontents because such revelation might damage revenue production or tarnish their brands. The Knight Commission report fails to name and confront these root problems. It is difficult to solve a problem when leaders avoid discussing or acknowledging its existence. We believe that any constructive reset must begin by first identifying the "elephants in the room." But that is not enough. The solution must be courageous and produce meaningful change. Calling it "bold" is insufficient.

Thus, we offer our opinions on identifying the elephants in the room and those actions required to produce major change:

1. *A lack of common values about what athletic programs should be at educational institutions.*

Division I colleges and universities are not providing the college education promised to the athletes they recruited and are economically exploiting.

ELEPHANTS:

- **15,782 (40%) of the 39,495 D-I basketball and football athletes will NOT graduate (52% of all D-I men's basketball players; 38% of all D-I football players and 38% of all D-I women's basketball players)². Only 327 of them will make it to the NFL and NBA.**
- **It is likely that many of the 23,213 Division I football and basketball players who WILL graduate will not realize the \$1 million incremental lifetime present value of a bona fide college education because we estimate that up to 95% of the men's basketball players, 80-90% of the football players and 60% of the women's basketball players are likely to have been specially admitted and placed in less demanding majors/courses to keep them eligible to compete.**
- **At the root of this educational and economic exploitation is racism. Fifty-six percent of Division I men's basketball players are Black; they graduate at a rate of 47% compared to**

² All graduation data in this report is based on the most recent Federal Graduation Rates (FGR) – 4-year average of six-year cohorts, 2010-11 through 2013-14 that tracks graduation through 2019-20. See <https://web3.ncaa.org/aprsearch/gsrsearch>. Note the FGR does not track students who transfer to another institution and graduate. Further, note that we do not use the NCAA Graduation Success Rate metric because it is flawed, inflating graduation rates by 20 to 30 percentage points. Further information available upon request.

57% for White players. Forty-nine percent of Division I football players are Black; They graduate at a rate of 62% compared to 71% for White players. Forty-five percent of Division I women's basketball players are Black; They graduate at a rate of 62% compared to 68% of White players. The graduation rate gaps between Black and White players in Division II and III are much larger and even more concerning.³

- **The NCAA Graduation Success Rate metric has a significant design flaw and misleads the public by inflating athlete graduation rates. The NCAA Academic Performance Program and Academic Progress Rate metric discriminates against Black athletes at HBCUs.⁴**

BOLD REMEDIES:

- Institutions should have the right to specially admit (waive normal academic standards) any student but if that student is academically underprepared (more than 1 standard deviation below the average SAT/high school GPA of the institution's incoming class) to compete in the classroom, the institution must be required to remediate during a freshman year of ineligibility for athletics.
- Mandate that academic authorities – not athletic departments – administer academic support and course counseling programs.
- Require all NCAA members to contribute one percent of all athletics generated revenues to an Education Trust to provide grants to athletes who have not completed degrees when their athletic eligibility expires to return to school to complete their educations or to pursue graduate work.
- Reinstate the Division I peer review certification program
- Require transparency of athlete academic data
- Eliminate the NCAA Graduation Success Rate, a fraudulent academic metric meant to mislead the public about athlete graduation rates

2. ***The broken financial model.*** The top priorities of Division I basketball and football programs, as evidenced by their actual spending, are paying coaches million dollar plus salaries, spending extraordinary sums on staff, travel and entertainment to recruit high school students, and building lavish athlete-only facilities to impress 17-year-old talented athletes. Our top priorities should be athlete education spending (scholarships, etc.) and athlete health and protection (insurance, medical expenses, long-term disability).

ELEPHANTS:

- **Fueling athletic program subsidies are federal government loans and grants to non-athlete students who leave school with average loan debt of \$30,000.⁵** Only 25 of 2075 higher education athletic programs reportedly earn more than they spend on an operating basis

³ Ibid.

⁴ Gurney, G., Lopiano, E. Snyder, D., Willingham, M., Meyer, J., Porto, B., Ridpath, D.B., Sack, A., and Zimbalist, A. (2015-Revised 2017, 2019) The Drake Group Position Statement: Why the NCAA Academic Progress Rate (APR) and Graduation Success Rate (GSR) Should Be Abandoned and Replaced with More Effective Academic Metrics. Retrieve at: <https://thedrakegroup.org/2015/06/07/drake-group-questions-ncaa-academic-metrics/>

⁵ Kerr, E. (September 15, 2020) See 10 Years of Average Total Student Loan Debt. *USNews.com*. Retrieve at: <https://www.usnews.com/education/best-colleges/paying-for-college/articles/see-how-student-loan-borrowing-has-risen-in-10-years>

(fewer still when all capital construction debt and indirect expenses are factored in).⁶ The entire financial construct of college athletes in the USA (other than these 25 Power Five schools) depends on non-athlete students contributing higher tuition charges which are converted into institutional general fund subsidies for athletics or being taxed directly via mandatory student athletic fees. Backstopping these subsidies are \$130 billion in federal Higher Education Act student loans and Pell Grants.

- **There is no requirement for NCAA institutions to fully fund athlete insurance and medical expenses and no funds set aside for medical and family expenses related to the long-term effects of brain trauma or chronic athletic injuries.**

BOLD REMEDIES:

- As a condition of NCAA membership, mandate all institutions adhere to consensus medical standards of care for athletics related injuries and mental health, with the adoption of such standards determined by the NCAA Board of Governors upon recommendation of the Chief Medical Officer, rather than membership vote.
- Require all member institutions to provide athletic injury insurance and coverage for all medical expenses related to athletic injuries.
- Require all NCAA member institutions and conferences to annually contribute two percent of all athletics generated revenues (approximately \$200 million per year) to a Medical Trust that would provide a long-term disability insurance parachute for dementia, ALS, Parkinson's, CTE or for surgeries that address chronic medical problems after the normal 2-year post injury expiration of basic athletic injury insurance coverage.
- College presidents and trustees should ask Congress for a narrow and conditional antitrust exemption to permit the NCAA to cap coach and athletics administrator salaries, control contractual buy-out terms, limit numbers of coaches and other cost controls that ensure that the support of athletic programs does not damage the ability of the institution to support its primary academic programs. Such an exemption should also include rules that ensure operation of athletic programs so they don't conflict with a student's academic responsibilities or harm the health and welfare of college athletes.⁷ Our court system is incapable of resolving antitrust lawsuits in a timely, informed, and efficient way and tax-exempt educational institutions can ill afford regular outlays of the astronomical costs of legal services.
- NCAA member institutions should be prohibited from constructing varsity-athletes-only facilities.
- Prohibit off-campus recruiting and limit coach/prospect contacts to Zoom calls that include parents or guardians.

3. Inequity in national revenue distributions from marquee championships. In 1997, the FBS conferences held the remaining NCAA member institutions hostage, threatening to leave the NCAA if the members didn't (1) promise over 95% of the revenues from any future NCAA FBS football

⁶ NCAA. (2020) 15-Year Trends in Division I Athletics Finances. Retrieve at: https://ncaaorg.s3.amazonaws.com/research/Finances/2020RES_D1-RevExp_Report.pdf

⁷ Gurney, G., Lopiano, D. and Zimbalist, A. (2017) *Unwinding Madness: What Went Wrong With College Sports and How to Fix It*. Brookings Institution Press: Washington, DC. p. 216.

championship be distributed to only FBS institutions, (2) receive majority control of the NCAA Board of Governors and (3) restrict NCAA distributions to Division II and III to a pittance. The very next year, the FBS started its own national championship, wholly owned by the FBS conferences. Since then, the significant revenue of the College Football Playoff has been used to fuel an unsustainable spending spree, solidifying all that is wrong with commercialized college sports. The Knight Commission proposal does next to nothing to fix this broken economic construct. As concerning, the Knight Commission raises the white flag of surrender, giving up on protecting 16,000 FBS football players from education and economic exploitation whose athletics experiences will be governed by the new and proposing that under the restructure, FBS schools will pay their own football related legal bills, scholarship and participation subsidies from the proceeds of the College Football Playoff.

ELEPHANTS:

- **All national championships should be owned by the NCAA and should benefit the membership and its college athletes as a whole.** The FBS threat of departure when it does not get its way and continued FBS ownership of a national football championship is self-serving and antithetical to the culture of a tax-exempt non-profit educational organization. It is a fracture of significant magnitude because when money from the commercial success of educational sport becomes more important than the educational and physical well-being of students, the result is what we now have—exploitation which is blatant, racist and unethical.

BOLD REMEDIES:

- The issue is not about who owns the national championship. It is about how the money from the national championship is used. Under FBS control, it is used to advance the further corruption of educational sport, exploitation of athletes, and stuffing money into the back pockets of coaches, athletic directors and conference commissioners. The remedy is to control the use of that money so that it is prioritized for the education and health benefit of college athletes.
- 4. *Dissatisfaction with national governance.*** The Drake Group supports the ten principles advanced by the Knight Commission to guide the development of the new national governance structures proposed (the NCAA and the National College Football Association). But principles are meaningless if they are not implemented by policy or regulation. Just examine the 28 principles on pp. 3 to 5 of the NCAA Manual which read like platitudes. The NCAA is broken. It has become a trade association of coaches, athletic directors and conference commissioners, advancing commercialized college sport. It does not “govern.” It makes sport rules, conducts national championship events, and controls eligibility to play only insofar as it protects the commercial interests of its member institutions. It does not legislate or enforce the things that matter like the following elephants in the middle of the room:

ELEPHANTS:

- **The leadership structure – CEO and the Board of Governors.**
- **NCAA lawyers whose advice deters the organization from governing for fear of legal liability.**
- **Academic fraud, which the NCAA defers to its members to self-police**

- **Coach abuse of college athletes – the NCAA has no Code of Professional Conduct**
- **Athlete crime and violence – the NCAA has no Code of Athlete Conduct**
- **Gender equity/Title IX – 80% of NCAA institutions are not in compliance with Title IX**
- **Protecting the health and well-being of athletes – the NCAA denies it has this responsibility**
- **Financial waste – no NCAA rules exist**

BOLD REMEDIES:

- Install a fully independent Board of Directors charged with the responsibility of dealing with all of elephant issues and return to one member/one vote governance for all other issues.
- Understanding and clearly defining the different governance roles of national organizations (rules, policies, enforcement), conferences (education, compliance reviews, more restrictive rules than national) and member institutions (compliance with federal laws, supervision of coaches, staff and athletes, best practice services, etc.) is a predicate to installing appropriate policy and practice at each level.

Bold, courageous and meaningful collegiate athletics reform is possible, but not without the intervention of Congress. College presidents and chancellors have given no indication that they believe they have more power than their head football and basketball coaches and Knight Commission research indicates that 80 percent of FBS college presidents believe they do not have the power to change their athletic programs. The Drake Group believes that Congress should intervene and condition institutional receipt of Higher Education Act funding on specific mandates that address the elephants in the middle of the room.