

# Exhibit M



# RESTORING THE BALANCE

Dollars, Values, and the Future of College Sports



Knight Commission  
On Intercollegiate Athletics

Sponsored by the John S. and James L. Knight Foundation

To preserve the integrity of the revenue distribution system, the NCAA and athletic conferences should change their allocation formulas as follows:

**1. Change revenue distribution formulas to prioritize educational values over winning.**

- a. Reduce the funding provided for winning and link new funding to academic success.** The current NCAA revenue distribution formula rewards men's basketball teams on the basis of both appearances and wins in the NCAA men's basketball postseason tournaments. The allocation vehicle for these revenues, known as the Men's Basketball Fund, distributed \$167 million in 2010.

The Commission recommends that the allocation to this fund be substantially reduced. Specifically, the current percentage of shared revenues provided in the Fund for tournament success should be cut at least by half (from 40 percent to 20 percent) and savings should be reallocated to the new Academic-Athletics Balance Fund described below. This revision would ensure that at least 80 percent of the shared revenues will be allocated based on educational values rather than on wins.

- b. Reallocate some postseason football revenues on the basis of academic values.** Currently, revenues for FBS postseason football activities and media contracts are controlled by the participating conferences, not the NCAA. Consistent with the principles in this report, we believe a portion of the revenues from these activities and contracts should be allocated to restoring an appropriate balance between investments in athletics and academics. Thus, as a starting point, we recommend that at least 20 percent of the overall funds available for annual conference distributions from the BCS be allocated equitably to each FBS conference and designated as the Academic-Athletics Balance Fund. The conferences then would take this allocation and distribute the funds to its members according to the criteria specified for the Academic-Athletics Balance Fund discussed below.

**2. Academic-Athletics Balance Fund.** The Commission recommends that the NCAA and individual FBS conferences establish a new stream of revenue allocation through the actions described in 1(a) and (b) above. All Division I institutions would be eligible for this revenue if they met the following two conditions:

- a. All teams must maintain an average APR that predicts at least a 50 percent graduation rate** as measured by the NCAA's own graduation rate metric; and
- b. Each institution must demonstrate an appropriate balance** between institutional investments in athletics and education. The Commission recommends that the NCAA Board of Directors develop criteria to monitor this balance, drawing upon the metrics recommended in this report. For example, one requirement might be that the growth rate in the athletics budget measured on a per-athlete basis over a five-year period must not exceed the growth rate in educational spending on a per-student basis over the same period.

*Note: The NCAA's Academic-Athletics Balance Fund would be distributed to all Division I members. The allocation to conferences from BCS funding would be distributed only to FBS members (or directly from BCS administration if they are not affiliated with a conference).*

If the Commission's recommendation is adopted, these tournament slots, and the financial rewards that accompany them, will be reserved for teams that meet legitimate academic standards.