

Dear Committee Members:

As you know, we have been reviewing the current state of college athletics for the past several months. During this review, several things have become clear:

- For hundreds of thousands of young people – and for tens of millions over time – college sports are a pathway to a college degree, an invaluable learning experience and a major element in the plan that successfully launches them into adulthood.
- Billions of dollars are invested annually by colleges and universities in their athletics programs, their student-athlete support systems and student-athletes. College sports alone delivered \$4 billion in scholarships to hundreds of thousands of young people.
- Graduation rates for student-athletes have risen dramatically over the past 15 years – so much so that across every demographic student-athletes graduate at a higher rate than their peers who are not student-athletes.
- More is being done to build on this success:
 - Starting next year, all Division I schools will be required to guarantee the scholarships they offer to student-athletes, whether they play their sport or not.
 - Starting next year, all Division I schools will be required to provide up to 10 years of ongoing tuition assistance to scholarship athletes until they complete their degree.
 - Starting next year, all Division I schools will be required to provide mental health services to student-athletes consistent with the latest best practices.
 - Starting next year, student-athletes across all three divisions will have access to a nationwide injury insurance program that will provide two years of primary or secondary health insurance coverage if they get injured playing a sport for their school and are still in active treatment when they graduate or their eligibility has expired.

Looking ahead, financial and operational differences among colleges and universities across all three divisions, and even within Division I among the colleges and universities in Division I, are significant and poised to grow:

- Across Division I, schools spend between \$5 million and \$250 million annually on their athletics programs.
 - 59 Division I schools spend over \$100 million annually on their athletics programs.
 - Another 32 Division I schools spend over \$50 million annually on their athletics programs.
 - An additional 259 Division I schools spend less than \$50 million, and of those, 144 Division I schools spend less than \$25 million on their athletics programs.
 - Surprisingly, the schools that spend the most on college athletics rely on virtually no student fees to support their programs.
 - On average, 1.8% of an A5 athletics budget is paid for by student fees, while 14%-18% of the budgets for the remainder of Division I schools are funded by student fees.
- 98% of Division II and III schools spend less than \$20 million annually on their athletics programs. Like most of their Division I colleagues, these schools make an investment in sports, and by doing so, they make an investment in the educational experience of their student-athletes. No one could possibly conclude that most of these schools “make money” on college athletics.

- Despite the wide disparity in revenues and spending, the lessons over 500,000 student-athletes learn by participating in intercollegiate athletics are undeniably similar:
 - Student-athletes learn how to put their own interests aside in pursuit of a higher, more challenging, team-based objective.
 - They learn how to get back up when they get knocked down.
 - They learn how to push through adversity to achieve personal and team-based goals and objectives.
 - They learn how to master their craft, one that often requires hours and hours of teaching, coaching and practice.
 - They learn how to win with grace and lose with dignity.
 - They learn the power and importance of process – in both directions. Success is a process, and so is failure.
 - They also learn how to lean on their teammates and coaches in their personal pursuit of excellence – in the classroom and on the field of play.

However, the growing financial gap between the highest resourced colleges and universities and other schools in Division I has created a new series of challenges. The challenges are competitive as well as financial and are complicated further by the intersection of name, image and likeness opportunities for student-athletes and the arrival of the Transfer Portal.

The contextual environment is equally challenging, as the courts and other public entities continue to debate reform measures that in many cases would seriously damage parts or all of college athletics.

Therefore, it is time for us – the NCAA – to offer our own forward-looking framework. This framework must sustain the best elements of the student-athlete experience for all student-athletes, build on the financial and organizational investments that have positively changed the trajectory of women's sports, and enhance the athletic and academic experience for student-athletes who attend the highest resourced colleges and universities.

To deliver on this framework, we need to make several fundamental changes. First, we should make it possible for all Division I colleges and universities to offer student-athletes any level of enhanced educational benefits they deem appropriate. Second, rules should change for any Division I school, at their choice, to enter into name, image and likeness licensing opportunities with their student-athletes.

These two changes will enhance the financial opportunities available to all Division I student-athletes. They will also help level what is fast becoming a very unlevel playing field between men and women student-athletes because schools will be required to abide by existing gender equity regulations as they make investments in their athletics programs.

Third, a subdivision comprised of institutions with the highest resources to invest in their student-athletes should be required to do two things:

- Within the framework of Title IX, invest at least \$30,000 per year into an enhanced educational trust fund for at least half of the institution's eligible student-athletes.
- Commit to work with NCAA staff and their peer institutions in this subdivision to create rules that may differ from the rules in place for the rest of Division I. Those rules could include a wide range of policies, such as scholarship commitment and roster size, recruitment, transfers or NIL.

I look forward to hearing from members and student-athletes as we move ahead. But moving ahead in this direction has several benefits:

- First, it significantly enhances the NCAA's ability to provide world-class educational and athletics experiences to the most elite student-athletes.
- Second, it enables the continued investment in women's sports and women student-athletes at a level that compares with future investments in men's sports.
- Third, it gives the educational institutions with the most visibility, the most financial resources and the biggest brands an opportunity to choose to operate with a different set of rules that more accurately reflect their scale and their operating model.
- Fourth, it gives colleges and universities that are not sure about which direction they should move in an opportunity to do more for their student-athletes than they do now, without necessarily having to perform at the financial levels required to join the subdivision.
- Fifth, it gives other schools in Division I the ability to do whatever might make sense for them and for their student-athletes within a more permissive, more supportive framework for student-athletes than the one they operate in now.
- Sixth, it provides student-athletes in the most competitive and well-resourced part of Division I with significant educational benefits that they can use to launch themselves once they either graduate or reach the end of their athletics eligibility, and it does so in a way that respects and complies with the rules concerning gender equity.
- Seventh, it gives the schools most impacted by collectives, the Transfer Portal and NIL the opportunity to create rules, programming and resources that are in the best interests of the vast majority of their student-athletes, instead of just a few.
- Eighth, it maintains the existing NCAA national championship model across all existing Division I sports, except FBS football, which continues to operate under the rubric of the College Football Playoff.
- Ninth, it provides an operating model the NCAA and its member institutions can incorporate into ongoing discussions with Congress about the future of college athletics.
- Finally, it kick-starts a long-overdue conversation among the membership that focuses on the differences that exist between schools, conferences and divisions and how to create more permissive and flexible rules across the NCAA that put student-athletes first. Colleges and universities need to be more flexible, and the NCAA needs to be more flexible, too.

It also gives the NCAA a chance to propose a better way to support student-athletes at the highest revenue schools by providing significant financial support to student-athletes in revenue positive and nonrevenue sports alike.