



NCAA Division I Academic-Based Revenue Distribution Question and Answer Document

Updated: July 2020

THE METRICS.

Question No. 1: How do institutions qualify for the academic unit distribution?

Institutions qualify by meeting one of the following criteria from the preceding academic year:

1. Institution's NCAA Division I Academic Progress Rate for the previous year is equal to or greater than 985;
2. Institution's Graduation Success Rate for the most recently available year is equal to or greater than 90 percent; or
3. Difference between the institution's student-athlete and student-body rates for the most recently published Federal Graduation Rate is greater than or equal to 13 percentage points.

Question No. 2: Does the academic unit distribution use single-year metrics or multiyear rates for the APR and graduation rates?

Single-year metrics are used which give institutions a clean slate every year in their effort to qualify for the funds and provide opportunities for more institutions to qualify for the distribution. Using a multiyear rate has the potential to anchor schools to one bad year throughout a four-year period, which minimizes opportunities and incentives to increase academic success.

Question No. 3: Are all sports weighted equally in the metrics?

For the APR criteria, all teams are weighted equally. For the GSR/Federal Graduation Rates criteria, the calculation is an institutional rate.

Question No. 4: Is there a waiver process for an institution that does not earn an academic unit in a given year?

No. There is no waiver process for an institution that does not meet one of the academic metrics. A school has a new opportunity the next year to earn the funds based on the criteria.

Question No. 5: The new academic unit distribution appears to "reallocate wealth" to schools and conferences with fewer resources. In other words, this new academic fund in aggregate likely benefits nonautonomy schools at the expense of the autonomy schools. Is this correct?

Yes, though that was not the intent of this change. In any given year, based on academic variables, the number of schools in a conference that earn an academic unit will vary. However, in aggregate it is anticipated that the five autonomy conferences will receive less money than they would if these media rights increases were funneled into existing NCAA revenue distribution funds. The current large buckets of revenue distribution (i.e., men's basketball, grants-in-aid, sports sponsorship) result in significant funds going to the five autonomy conferences. It is anticipated that this new proposed academic distribution would result in a more balanced distribution among conferences. Thus, the overall impact is a positive in aggregate for the 27 nonautonomy conferences. It should be noted, however, that this assessment is based on current academic data and behaviors. If that behavior changes, the characteristics of the rewarded schools may change.

Question No. 6: Won't the same schools earn academic units year after year?

The working group tested the new distribution and its qualification standards by reviewing the last five years of academic outcomes and found that 90 percent of all Division I members qualified for the distribution in at least one of those years. As such, while the distribution as modeled resulted in about two-thirds of institutions qualifying annually, an even broader group will benefit over time as academic behavior changes.

Question No. 7: Will the metrics change each year?

No. The metrics were established by the NCAA Division I Board of Directors and on the recommendation of the working group. The working group sought to capture the top quartile of institutions through each of its established metrics for qualification; however, additional institutions may qualify each year. The Board charged the NCAA Division I Committee on Academics with monitoring the metrics and benchmarks going forward and reporting to the Board.

Question No. 8: Which data will be used to determine if institutions meet the academic unit?

The most recently reported and released academic rates will be used to determine if an institution meets the academic unit.

Example: 2020 Distribution

APR Information: 2018-19 APR data reported in fall 2019 and released publicly in spring 2020

GSR/FGR Information: 2012-13 data reported in June 2019 and released publicly in fall 2019.

Question No. 9: Will the rates be rounded up/down?

The academic rates will be rounded to the nearest hundredth.

Example: 984.49 will be rounded to 985 and the institution would meet the unit.

Question No. 10: Will indoor and outdoor track and field be counted as one sport or two sports in the eligibility calculation for the academic unit?

They will be counted as one sport, which is consistent with how they are currently treated for general APR and GSR calculations.

Question No. 11: Will a sport that is not sponsored by the institution's primary conference be included in the institution's eligibility calculation for the academic unit?

All sports, regardless of conference affiliation, sponsored by the institution will be included the eligibility calculation.

Question No. 12: Will a team's single year APR that has been adjusted due to the squad-size adjustment be used in the in the institution's eligibility calculation for the academic unit?

The team's raw APR score for the single year will be used. The squad-size adjustment is currently used during APP penalty determinations and is not used to identify teams for the top ten public recognition.

Question No. 13: Will a team that does not meet sports sponsorship requirements in Bylaw 20 be used in the institution's eligibility calculation for the academic unit?

Only teams that meet the sports sponsorship requirements will be used.

Question No. 14: Will a team that has been dropped be used in the institution's eligibility calculation for the academic unit?

Teams will not be included in the calculation for APR or GSR based on current APP policies. Discontinued sports are included in the Federal Graduation Rate calculation based on federal reporting policies.

Question No. 15: How is a team treated that meets sports sponsorship requirements but has no student-athletes in the cohort (e.g., no student-athletes on athletics aid)

Such teams will not be included in an institution's eligibility calculation for the academic unit.

TIMING AND REPORTS.

Question No. 1: When will reports be available to inform institutions whether they qualify?

The Academic Unit report is available to institutions through the Academic Portal. Once institutions have submitted data (per established deadlines), preliminary information is available. Once the data is publicly reported and released the eligibility criteria are finalized.

Question No. 2: Will there be a published report of all institutions that earn an academic unit?

No. There will not be any NCAA aggregate publishing of which institutions earned an academic unit.

Question No. 3: When will institutions know if they have met one of the three benchmarks to qualify for the distribution?

Data regarding an institution's FGR and GSR will be made available in October of each year. Data regarding an institution's APR will be made available in May of each year. Therefore, if an institution qualifies for the distribution based on one of the metrics specific to the FGR or GSR, they will know if they have met the benchmark in October of each year. If an institution qualifies for the distribution based on the metric specific to the APR, the institution will know if they have met the benchmark in May of each year. However, institutions will not know the specific amount of each distribution until after May, given the distribution amount per institution depends on the total number of institutions that qualify for the distribution.

DISTRIBUTION AND REPORTING REQUIREMENTS.

Question No. 1: How much money will recipients of the academic unit receive?

As previously indicated, the money to fund the new academic unit comes from a portion of the NCAA's annual increases to its media rights agreement. The total amount of money for the distribution is finite; however, the amount received by each institution that qualifies for the distribution will change depending on the total number of institutions that qualify. If more institutions qualify for the academic unit distribution, the amount per distribution unit will decrease. Likewise, if fewer institutions qualify for the academic unit distribution, the amount per distribution unit will increase.

Question No. 2: Are recipients of an academic unit required to use the funds specifically for academic initiatives?

No. The academic units are "unrestricted funds," like the men's basketball units. Institutions/conferences may use funds from their academic distribution in the manner they deem most appropriate.

Question No. 3: Do institutions that qualify for an academic unit receive funds directly from the NCAA?

No. The academic units are distributed to conferences. Conferences are free to distribute the funds in accordance with their distribution policies. Some conferences may elect to flow these funds directly to the schools that earned the academic unit, while other conferences might revenue-share the revenue from all the academic units earned in a given year. Each conference can determine how to disburse these funds to its members.

Question No. 4: If an institution moves conferences, which conference will receive the funds from the academic unit if the institution was eligible for funds?

The funds will be distributed to the conference the institution is a member of at the time of the distribution.

Question No. 5: At what point does an institution no longer qualify for the academic unit if it is transitioning from Division I?

Only active Division I members are eligible for the academic unit. When a transitioning institution is no longer an active Division I institution, then it is no longer eligible for the academic unit.

Question No. 6: Does an institution in restricted membership status eligible to receive academic unit funding?

No, an institution in restricted membership status is no longer eligible to receive any revenue distributions. However, it is eligible to receive revenue distributions during the one-year probationary membership year.

Question No. 7: When are reclassifying institutions eligible for the Academic Unit?

Institutions shall qualify to receive the academic unit as determined by the sponsoring conference beginning with the first year of active Division I membership.

Question No. 8: Where can I find more information and assistance?

Please visit www.ncaa.org/academicunit for updated information and resources or contact any of the following team members:

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BACKGROUND.

Question No. 1: Who created the new academic unit distribution?

The academic unit distribution was approved by the NCAA Division I Board of Directors and helps ensure that the Division I revenue distribution plan reflects and enhances the division's overarching values and commitment, including those related to sound academic standards and student-athlete academic achievement.

The Board also approved several simplifications to the distribution that provides transparency in the methodology. A working group comprised of 13 members, including presidents, faculty, directors of athletics, a conference member and a student-athlete made the recommendation to the Board. Additionally, the working group reflected the diversity of mission and resource level within the Division I membership.

Question No. 2: Why did the Values-Based Revenue Distribution Working Group propose the new academic unit distribution?

The current revenue distribution plan provides revenue for academic uses but allocates no money based on academic measures. The working group responded to the Board's charge by recommending the proposed academic unit which better aligns the division's distribution plan with core values.

Question No. 3: Does this new academic unit distribution take money away from existing allocations?

No. The new academic units are based only on a portion of the annual increases in future years of the NCAA's media rights agreement. Only the increases in the contract apply here, not the base allocations.