MINUTES OF THE

NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

EXECUTIVE COMMITTEE

Hyatt Regency Atlanta
Atlanta, Georgia

January 16, 2010

Participants:

Charles Bantz, Indiana Univ.-Purdue Univ. at Indianapolis
James Barker, Clemson University
Kathleen Brasfield, Angelo State University
Damon Evans, University of Georgia
Judy Genshaft, University of South Florida
James Harris, Widener University
William Harvey, Hampton University
Stephen Jordan, Metropolitan State College of Denver
Lynn Oberbilling, Smith College
Ann Millner, Weber State University
Kevin Mullen, Siena College
Harvey Perlman, University of Nebraska, Lincoln
John Peters, Northern Illinois University
Beverley Pitts, University of Indianapolis
Edward Ray, Oregon State University, chair
Paul Trible, Christopher Newport University
Jim Isch, NCAA
Bernard Franklin, NCAA
Delise O'Meally, NCAA, recording secretary

Robert Kustra, Boise State University, and Shirley Raines, University of Memphis, were not able to participate.

Also in attendance were: Gary Brown, director of NCAA News; Elsa Cole, vice president of legal affairs/general counsel; Joni Comstock, senior vice president of championships/senior woman administrator; Dennis Cryder, senior vice president of branding and communications; Michelle Hosick, associate director of NCAA News; Tom Jernstedt, executive vice president, Kevin Lennon, vice president of academic and membership affairs; Keith Martin, interim vice president for administration/chief financial officer; Wallace Renfro, vice president and senior advisor to the president; Greg Shaheen, senior vice president of basketball and business strategies; Robert Vowels, vice president of educational affairs; Charlotte Westerhaus, vice president of diversity and inclusion; Bob Williams, managing director of public and media relations; David Berst, Daniel Dutcher and Mike Racy, NCAA governance vice presidents; and Jackie Campbell, Leah Kareti, and Terri Steeb, NCAA governance directors.

[Note: These minutes contain only actions taken (formal votes or stated "sense of the meeting") in accordance with NCAA policy regarding minutes of all Association entities. While certain items on the Committee's agenda were acted on at various times throughout the meeting, all final actions within a given topic are combined in these minutes for convenience of reference.]

The meeting was called to order at 4 p.m. by the chair, President Ray. All members were present as noted above.

1. Welcome and announcements. Ray welcomed Kathleen Brasfield, director of athletics at Angelo State University and incoming chair of the Division II Management Council. Also, Ray presented Stephen Jordan, chair of the Division II Presidents Council, and Paul Trible, chair of the Division III Presidents Council, with awards for their service to the Executive Committee.

2. Approval of October 29, 2009, meeting minutes.

   It was VOTED

   "To approve the Executive Committee minutes of the October 29, 2009, meeting as distributed."

3. Executive session. Ray convened an executive session during which the Executive Committee received an update from NCAA Interim President Jim Isch, approved the position description for the position of president of the NCAA and accepted the recommendation of Mercer in compliance with the Taxpayer Bill of Rights.

4. St. Andrews Presbyterian College request. The Committee reviewed a request from St. Andrews Presbyterian College related to NCAA membership standards. Pursuant to NCAA Constitution 3.02.3.1, one of the requirements necessary for active membership is accreditation by one of the six regional accrediting agencies. St. Andrews requested that the Executive Committee consider accreditation by a national accrediting body as sufficient to meet this requirement. The Executive Committee agreed to form a working group to study the issue.

5. Association-wide membership and the approval of a working group. The Executive Committee appointed a working group to explore from an Association-wide perspective the issue of membership growth within the NCAA.

6. NCAA Executive Committee Finance Committee report.

   a. Fiscal year 2008-09 audited statements. The Finance Committee met with the audit firm of KPMG to review fiscal year 2008-09 financial statements and conduct the required audit communications and review.

      (1) KPMG issued an unqualified opinion for the fiscal year statements ending August 31, 2009.

      (2) Highlights of the Consolidated Statement of Financial Position are:

         (a) The Association's total assets increased by approximately $34 million in comparison to the prior year. The increase was primarily in the investments holdings as of the year end and the acquisition of Arbiter and eOfficials. Assets purchased consisted of primarily goodwill and intangible assets.

         (b) The Association's net assets increased by more than $47 million this past fiscal year due to the surplus of revenues over expenses. It was noted that the Association does not budget investment earnings since these funds, by Executive Committee policy, are allocated to the quasi-endowment.

         (c) All allocations to the respective reserves, per Executive Committee policy, have been made.

         (d) The Association had an increase in revenue this past year that was primarily due to the increases in TV rights fees, ticket revenues from championships and the revenues from the Eligibility Center. Investments earnings for the year were $9 million, as compared to a loss of $4 million in the prior year.

         (e) From an expense standpoint, the distribution to Division I increased approximately nine percent per the scheduled distribution plan. Division I championships expenses decreased approximately nine percent, which is primarily the result of lower costs of travel

this past year. The increase in Association-wide expense is due to the addition of Arbiter and eOfficials LLC expenses and youth basketball expenses.

(f) Excess revenues over expenses for the year were approximately $47 million.

It was VOTED

"To approve the fiscal year 2008-09 financial statements."

b. Recommended uses of unallocated net assets. Fiscal year 2008-09 year ended with the Association having $15.8 million in unrestricted net assets available for allocation. The Finance Committee recommended the surplus be used in the following manner:

(1) $15 million distributed back to the Division I members. The Association committed $5 million last January from budget reductions, and the result of additional revenues over expenses at year end allows for an additional $10 million.

(2) $400,000 allocated to the Myles Brand Chair for Pancreatic Cancer.

(3) $400,000 allocated for the presidential search and executive move.

It was VOTED

"To approve the proposed unallocated net assets allocations."

c. First quarter fiscal year 2009-10 budget to actual.

(1) The Association has limited financial activity in the first quarter, with the majority of revenues and expenditures occurring in the second half of the year related to championship activity and revenue distributions.

(2) Revenue received is 16 percent of the budget and is in line with the prior year. Although championships revenue is three percentage points behind the prior year, this is the result of timing differences, and, to date, men's basketball tickets sales revenues are in line with last year.

(3) The Association's expenses are seven percent of the total budget for the first quarter and are in line with the prior year.

d. Investment subcommittee report. The investment subcommittee of the Finance Committee met during the Convention and made the decision to add an opportunistic strategies allocation to the quasi endowment. The primary reasons for adding an allocation are to increase diversification, the potential for a partial hedge against future inflation and the possibility of adding alpha by allowing managers more discretion in their investment approach. The subcommittee approved Wellington Diversified Inflation hedges and Leuhold Weeden's Core Fund for 10 percent of the overall quasi-endowment allocation. Funding will come from the annual contributions to the quasi-endowment and the current stock and bond funds. The investment subcommittee voted to rebalance the two portfolios in accordance with its asset allocation policies.

e. New building project financing. The Finance Committee reviewed various funding options for the new building project. It was determined that, as a result of the favorable rates in the market, the staff should explore financing $20 million of financing for the building project over a maximum 10-year period. It also was determined that the annual debt service could be paid from the Eligibility Center revenues and cost savings from holding our meetings in Indianapolis.

It was VOTED

"To approve a resolution for the authorization and issuance of bonds or other comparable financing options, and the reimbursement of building project expenses with the proceeds of the selective financing option."

7. Litigation update. The Committee received a report from the NCAA general counsel regarding litigation and settlement actions.

8. NCAA Division I Board of Directors and Divisions II and III Presidents Councils reports.

a. Division I Board of Directors. The Committee received an update on the actions of the Division I Board of Directors that included the following:

(1) Values-based decision-making. Received a presentation regarding values-based decision-making and was informed that a small working group including presidents, athletics directors, commissioners and experts will be working with staff to examine the issue.

(2) Supplemental distribution. Agreed to recommend that the Executive Committee approve the Finance Committee's recommendation for a supplemental distribution of $15 million to the Division I membership.

(3) Sand volleyball – emerging sport. Adopted emergency legislation to delay the effective date of NCAA Division I Proposal No. 2008-59 to August 1, 2011. This legislation survived an override vote and adds women's sand volleyball as an emerging sport.

(4) Diversity requirements. Endorsed the Division I Leadership Council's recommendations for enhanced diversity requirements for the various Division I governance bodies. The new standards would add positional requirements for athletics directors (20 percent) and faculty athletics representatives (20 percent) to the current gender (35 percent) and ethnic minority (20 percent) requirements. In addition, the various subdivisions [Football Bowl Subdivision (FBS) on its, own and Football Championship Subdivision (FCS) and Division I combined] will be required to meet the new standards on each of the eight councils and cabinets. The expectation is that FBS conferences meet these requirements when appointing their representatives to the councils and cabinets this spring. The FCS and Division I conferences would be required to meet the new minimums in the spring 2012 when their terms expire.

b. Division II Presidents Council. The Committee received an update on the actions of the Division II Presidents Council that included the following:

(1) 2010 NCAA Convention. Division II completed another successful Convention. The membership voted on 14 proposals during its business session – all 14 passed. Significant proposals included the four proposals presented as the Presidents Council "Life in the Balance" package:

(a) 2010 NCAA Convention Division II Proposal No. 2010-5—playing and practice seasons—fall sports, which moves the start date for the first contest or date of competition by one week later; starts the preseason practice a week later in the summer; and shortens the season with a reduction in contests or dates of competition.

(b) 2010 NCAA Convention Division II Proposal No. 2010-6—playing and practice seasons—spring sports, which reduces the maximum number of contests from 56 to 50 in baseball; reduces the maximum number of dates of competition from 24 to 21 in golf; and eliminates the tournament dates exception in softball.

(c) 2010 NCAA Convention Division II Proposal No. 2010-7—playing and practice seasons—winter break, which establishes a "dead period" from December 20 through December 26 for winter sports (basketball, swimming and diving, indoor track and field and wrestling), during which it would not be permissible for an institution to have practice, competition or other countable athletically related activities (e.g., weight training, conditioning); and establishes a "dead period" during the same dates for all sports, during which it would not be permissible for a student-athlete to participate in voluntary athletically related activities on campus, unless the facility is open to the general student-body.

(d) 2010 NCAA Convention Division II Proposal No. 2010-8—playing and practice seasons—winter sports—basketball, which reduces the maximum permissible number of contests in men's and women's basketball from 27 to 26.

(2) Division II financial dashboard tool. At its annual chancellors and presidents session Friday, Division II chancellors and presidents previewed information on a new financial dashboard tool that will be unveiled at the June 2010 Chancellors and Presidents Summit. This tool will provide the membership with access to accurate, timely and relevant information to encourage moderation in the growth rate of athletics budgets and provide a catalyst for communication and education among presidents, chief financial officers and athletics departments, thus re-centering athletics within the educational mission of the university.

(3) Division II public service announcement. Jordan shared the most recent Division II public service announcement, which features Division II student-athletes telling why they "Chose Division II." All five student-athletes are members of the national Division II Student-Athlete Advisory Committee.

c. Division III Presidents Council. The Committee received an update on the actions of the Division III Presidents Council. These included:

(1) Division III Identity Initiative. The 2010 Convention marked the formal launch of the division's strategic positioning platform. Division III delegates received a presentation on the content and intended purpose of the platform, and saw early creative expressions of the platform, including a video describing the essence of the Division III experience.

(2) Convention highlights. Other Convention highlights included a presentation on the concepts under consideration to enhance the leadership and engagement of presidents in the division. The membership adopted nine proposals in the Division III business session, including a unanimous vote on 2010 NCAA Convention Division III Proposal No.1, which established in the Division III philosophy statement an expectation for presidential leadership to be exercised at the campus, conference and national levels.

9. NCAA Executive Committee Subcommittee on Gender and Diversity Issues. The Committee received a report on the work of the Executive Committee Subcommittee on Gender and Diversity Initiatives. The Committee noted that the subcommittee had the opportunity to meet with Parker Executive Search and offer comments and feedback relative to the presidential search.

10. Future meetings. The Committee reviewed its future meetings schedule.

11. Adjournment. Ray adjourned the meeting at 6:20 p.m.

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