P.O. Box 6222
Indianapolis, Indiana 46206
Telephone: 317/917-6222

Shipping/Overnight Address:
1802 Alonzo Watford Sr. Drive
Indianapolis, Indiana 46202

www.ncaa.org

MEMORANDUM

August 2, 2011

TO: NCAA Executive Committee.

FROM: Bernard W. Franklin
Executive Vice President of Membership and Student-Athlete Affairs/
Chief Inclusion Officer/Liaison to the Executive Committee

Delise S. O'Meally
Director of Membership and Student-Athlete Affairs.

SUBJECT: August 11 NCAA Executive Committee Meeting.

This message is to notify you that the agenda and supplements for the August 11 meeting of the NCAA Executive Committee are ready for your review.

**The meeting will be held from approximately 3 to 5:30 p.m. at the Westin Indianapolis [Grand 5], 50 South Capitol Avenue, Indianapolis, Indiana 46204** [telephone: 317/262-8100; fax 317/231-3928].

You will receive your August 11 meeting materials electronically. The NCAA uses SharePoint Zones for the work of committees, task forces and special projects. Please access the NCAA Sharepoint committee zone site (http://committeezone.ncaa.org/default.aspx) to log on and review the meeting materials, which can be found in the document library section of the Executive Committee.

If you have any questions or need assistance, please do not hesitate to contact us or Janice Whitehead, our assistant. We look forward to seeing you in Indianapolis.

BWF/DOM:jw

Enclosure

cc: NCAA Division I Board of Directors
NCAA Division II Presidents Council
NCAA Division III Presidents Council
Selected NCAA Staff Members

# A G E N D A

National Collegiate Athletic Association

Executive Committee

Westin Indianapolis
Indianapolis, Indiana

August 11, 2011
3 to 5:30 p.m.

1. Welcome and announcements.

2. Approval of April 28, 2011, meeting minutes. (Action) [Supplement No. 1]

***Anticipated Action. Approve the April 28, 2011, meeting minutes.***

3. Update from national student-athlete advisory committee. (Information)

4. NCAA President's report.

   a. Division I Presidential Retreat. (Information)

   b. One Team, One Future national office initiative. (Information)

   c. Native American mascot policy update. (Information)

5. NCAA Executive Committee Finance Committee report.

***Anticipated Actions. Receive Finance Committee recommendations and projections for the third quarter.***

   a. Audit Charter proposed changes. (Action) [Supplement No. 2]

   b. Third quarter FY 2010-11 budget-to-actual. (Information) [Supplement No. 3]

6. Transgender student-athlete participation policy. (Action) [Supplement No. 4]

***Anticipated Actions.*** ***Approve the updated transgender student-athlete participation policy drafted by the gender inclusion staff and the NCAA Committee on Competitive Safeguards and Medical Aspects of Sports.***

7. NCAA Division I Board of Directors and Divisions II and III Presidents Councils reports. (Action may be necessary from the reports.)

***Informational.*** ***Receive oral reports from the chairs of the Division I Board of Directors and the Divisions II and III Presidents Councils regarding divisional issues that have Association-wide impact.***

8. Legal counsel update. (Action may be necessary from the report.)

9. Future meetings. (Information)

***Informational.*** ***Review dates of future Executive Committee meetings.***

a. January 13, 2012. Indianapolis, Indiana.

b. August 1, 2012. Indianapolis, Indiana.

c. January 18, 2013. Grapevine, Texas.

10. Adjournment.

# 2011 NCAA EXECUTIVE COMMITTEE

## Division I

**William Beauchamp**
President
University of Portland
5000 North Williamette Boulevard
Portland, Oregon 97203-5798
Phone: 503/943-7101
Fax: 503/943-7401
E-mail: beaucham@up.edu
Term Expiration: April 2012
Assistant: Kathy Simek
Assistant e-mail: Simek@up.edu

**Judy Genshaft**
President
University of South Florida
4202 East Fowler Ave., ATH100
Tampa, Florida 33620
Phone: 813/974-2791
Fax: 813/974-5530
E-mail: jgensha@admin.usf.edu
Term Expiration: April 2013
Assistant: Robin Wright
Assistant e-mail: rwright@admin.usf.edu

**William R. Harvey**
President
Hampton University
121 Holland Hall
Hampton, Virginia 23668
Phone: 757/727-5231
Fax: 757/727-5746
E-mail: carolyn.acklin@hamptonu.edu
Term Expiration: April 2013
Assistant: Carolyn Acklin
Assistant e-mail: carolyn.acklin@hamptonu.edu

**Nathan Hatch**
President
Wake Forest University
1834 Wake Forest Road
Winston Salem, North Carolina 27106
Phone: 336/758-5211
Fax: 336-/758-5212
E-mail: hatch@wfu.edu
Term Expiration: April 2014
Assistant: Donna Gung
Assistant e-mail: gungd@wfu.edu

**Sydney McPhee**
President
Middle Tennessee State University
1301 E Main
Cope Administration Bldg, Room 110
Murfreesboro, Tennessee 37132
Phone: 615/898-5825
Fax: 615/898-2507
E-mail: smcphee@mtsu.edu
Term Expiration: April 2013
Assistant: Kim Edgar
Assistant e-mail: kedgar@mtsu.edu

**William (Bill) Meehan**
President
Jacksonville State University
700 Pelham Road North
Jacksonville, Alabama 36265
Phone: 256/782-5881
Fax: 256/782-5888
E-mail: pres@jsu.edu
Term Expiration: April 2013
Assistant: Pam Stinson
Assistant e-mail: pstinson@jsu.edu

**Harris Pastides**
President
University of South Carolina, Columbia
206 Osborne Administration Building
915 Bull Street
Columbia, South Carolina 29208
Phone: 803-576-6017
Fax: 803/777-3264
E-mail: pastides@sc.edu
Term Expiration: April 2015
Assistant: Pam Pope
Assistant e-mail: PPOPE@mailbox.sc.edu

**Ann Millner**
President
Weber State University
1001 University Circle
Ogden, Utah 84408-2701
Phone: 801/626-6001
Fax: 801/626-8021
E-mail: amillner@weber.edu
Term Expiration: April 2012
Assistant: JoAnne Robinson
Assistant e-mail: jrobinson4@weber.edu

**John Peters**
President
Northern Illinois University
Altgeld Hall #300
DeKalb, Illinois 60115
Phone: 815/753-9500
Fax: 815/753-8686
E-mail: jpeters@niu.edu
Term Expiration: April 2013
Assistant: Dori Hooker
Assistant e-mail: dorih@niu.edu

**Edward Ray *{Chair}***
President
Oregon State University
600 Kerr Administration Building
Corvallis, Oregon 97331-2128
Phone: 541/737-4133
Fax: 541/737-3033
E-mail: ed.ray@oregonstate.edu
Term Expiration: April 2012
Assistant: Elizabeth Grubb
Assistant e-mail:
elizabeth.grubb@oregonstate.edu

**David Schmidly**
President
University of New Mexico
MSC05 3300
Albuquerque, New Mexico 87131-0001
Phone: 505/277-2626
Fax: 505/277-5965
E-mail: unmpres@unm.edu
Term Expiration: April 2012
Assistant: Michelle Garrity
Assistant e-mail: mgarrity@unm.edu

**Lou Anna Simon**
President
Michigan State University
248 Jension Field House
East Lansing, Michigan 48824
Phone: 517/355-6560
Fax: 517/432-0200
E-mail: laksimon@msu.edu
Term expiration: April 2014
Assistant: Marti Howe
Assistant e-mail: howem@pres.msu.edu

## DIVISION II

**Drew Bogner**
President
Molloy College
P.O. Box 5002
Rockville Centre, New York 11570
Phone: 516/678-5000, X 6200
Fax: 516/678-5321
E-mail: dbogner@molloy.edu
Term Expiration: January 2012
Assistant: Diane Fornieri
Assistant e-mail: dfornieri@molloy.edu

**J. Patrick O'Brien**
President
West Texas A&M University
WTAMU Box 60997
Canyon, Texas 79016
Phone: 806/651-2103
Fax: 806/651-2126
E-mail: pobrien@mail.wtamu.edu
Term Expiration: September 2012
Assistant: Tracee Post
Assistant e-mail: tpost@mail.wtamu.edu

## DIVISION III

**James Bultman**
President
Hope College
President's Office
P.O. Box 9000
Holland, Michigan 49422-9000
Phone: 616/395-7780
Fax: 616/395-7111
E-mail: bultmanj@hope.edu
Term Expiration: January 2013
Assistant: Delores Wernette
Assistant e-mail: Wernette@hope.edu

**James (Jim) Schmotter**
President
Western Connecticut State University
181 White Street
Danbury, Connecticut 06810
Phone: 203/837-8300
Fax: 203/837-8283
E-mail: schmotterj@wcsu.edu
Term Expiration: January 2013
Assistant: Janet McKay
Assistant e-mail: mckayj@wcsu.edu

## LEADERSHIP/MANAGEMENT COUNCIL CHAIRS

### Division I
**Michael Alden**
Director of Athletics
University of Missouri, Columbia
Mizzou Arena
1 Champions Drive, Suite 200
Columbia, Missouri 65211
Phone: 573/882-2055
Fax: 573/884-5499
E-mail: aldenm@missouri.edu
Term Expiration: January 2014

### Division II
**Rick Cole Jr.**
Director of Athletics
Dowling College
150 Idle Hour Boulevard
Oakdale, New York 11769
Phone: 631/244-1113
Fax: 631/244-1080
E-mail: coler@dowling.edu
Term Expiration: January 2012

### Division III
**Chris Martin**
Commissioner
College Conference of Illinois & Wisconsin
30 North Brainard Street
Naperville, Illinois 60540
Phone: 630/637-5693
FAX: 630/637-5694
Cell: 630/886-3549
E-mail: cmartin@cciw.org
Term Expiration: January 2013

***Executive Committee Staff:***

**Bernard W. Franklin**
Executive VP of Membership &
Student-Athlete Affairs/
Chief Inclusion Officer
E-Mail: bfranklin@ncaa.org

**Delise S. O'Meally**
Director of Membership & Student-Athlete
Affairs
E-Mail: domeally@ncaa.org

**US MAIL ADDRESS**
NCAA
P.O. Box 6222
Indianapolis, IN 46206-6222

**SHIPPING ADDRESS**
NCAA Distribution Center
1802 Alonzo Watford Sr. Drive
Indianapolis, IN 46202

**Telephone:** 317/917-NCAA (6222)
**Fax:** 317/917-6071

# MINUTES OF THE

# NATIONAL COLLEGIATE ATHLETIC ASSOCIATION

# EXECUTIVE COMMITTEE

Westin Indianapolis
Indianapolis, Indiana

April 28, 2011

Participants:

Michael Alden, University of Missouri, Columbia
Charles Bantz, Indiana Univ.-Purdue Univ. at Indianapolis
Drew Bogner, Molloy College
James Bultman, Hope College
Rick Cole, Dowling College
Judy Genshaft, University of South Florida
Nathan Hatch, Wake Forest University
Chris Martin, College Conference of Illinois & Wisconsin
Sidney McPhee, Middle Tennessee State University
Ann Millner, Weber State University
Kevin Mullen, Siena College
J. Patrick O'Brian, West Texas A&M University
Harris Pastides, University of South Carolina, Columbia
John Peters, Northern Illinois University
Edward Ray, Oregon State University, chair
David Schmidly, University of New Mexico
James Schmotter, Western Connecticut State University
Lou Anna Simon, Michigan State University
Mark Emmert, NCAA
Bernard Franklin, NCAA
Delise O'Meally, NCAA, recording secretary

William Harvey, president of Hampton University, was unable to attend.

Also in attendance were: Gary Brown, associate director of digital communications; Joni Comstock, senior vice president of championships; Jim Isch, chief operating officer; Kevin Lennon, vice president of academic and membership affairs; Todd Leyden, president of the NCAA Eligibility Center, LLC; Karen Morrison, director of gender inclusion; Donald Remy, vice president of legal affairs/general counsel; Wallace Renfro, vice president and senior advisor to the NCAA president; Greg Shaheen, interim executive vice president of championships and alliances; Robert Vowels, vice president of student-athlete affairs and leadership development programs; Wendy Walters, director of membership and student-athlete affairs/infractions appeals; Bob Williams, vice president of communications; 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 2:36 p.m. by the chair, President Ray. All members were present as noted above.

1. Welcome and announcements. Ray thanked Charles Bantz and Kevin Mullen, who were attending their last Executive Committee meeting. Ray presented awards to Bantz and Mullen in recognition of their commitment, service and leadership in advancing the ideals, values and goals of the NCAA. Ray also welcomed Harris Pastides, president of the University of South Carolina, Columbia, and James Schmotter, president of Western Connecticut State University, who will be joining the Executive Committee from the Division I Board of Directors and the Division III Presidents Council, respectively.

2. Approval of January 15, 2011, meeting minutes.

   It was VOTED

   "To approve the Executive Committee minutes of the January 15, 2011, meeting as distributed."

3. NCAA President's report.

   a. Conversation with student-athletes. Emmert introduced a new agenda item for the Committee, a conversation with student-athletes. Representatives from each of the divisional national student-athlete advisory committees (SAACs) spent some time sharing key issues with the presidents. Scott Krapf, the Division I national SAAC chair, discussed ways in which the Association could continue to enhance the student-athlete voice (e.g., nationally and at the conference/institutional levels). Krapf also raised the issue of student-athlete likeness in promotional activities, as well as the men's basketball recruiting environment, as topics currently on the Division I SAAC agenda. Sarah Hebberd, Division II national SAAC vice chair, raised the issues of student-athlete mental health and drug education, specifically marijuana and K2 use. She also informed the committee of the development of a

national Make-A-Wish day for Division II. Lastly, Jessica Maier shared the following priorities from Division III, noting that many of these issues have an Association-wide impact: opportunities for transgender student-athletes and perceived cutbacks in training room services. She also shared an update on the Division III Special Olympics partnership.

b. Governance efficiency and effectiveness recommendations. Emmert called for action on the governance efficiency and effectiveness recommendations that had been shared with all three divisional groups during the joint breakfast.

It was VOTED

"To approve the recommendations as noted."

c. NCAA Eligibility Center update. Leyden shared an update on operations. He noted that a recent membership survey identified improvement in overall service and levels of satisfaction with the NCAA Eligibility Center. Leyden also noted that the NCAA Eligibility Center repaid its start-up loan in January of this year. The NCAA Eligibility Center will focus on driving value to the membership, sharing responsibility with the membership for initial-eligibility decisions.

4. NCAA Executive Committee Finance Committee report.

a. Budget recommendations for FY 2011-12. The Finance Committee met in March and discussed the 2011-12 budget. This is the second year of the biennial budget process, so the Association's focus has been on budget needs to maintain its current programs and services.

(1) Revenue increases are the result of the two percent increase in Turner/CBS rights fees; the increase in the radio rights contract; the increase in revenues from the College World Series; and the net revenues from the NCAA Eligibility Center. Based on previous actions from the Finance Committee and the Executive Committee, the NCAA Eligibility Center resources and the travel costs savings from moving the committee meetings to Indianapolis have been allocated to fund the new building debt service and operating costs.

(2) The expense increase of $14.87 million in Division I revenue distribution represents a two percent increase in the basketball, broad-based and conference grant funds. The total increase for the student assistance and academic enhancement fund is nine percent, in accordance with the White

case settlement that is in place until the 2012-13 fiscal year. A new allocation of $5 million is recommended toward an academic performance fund and may be used with a reallocation from the existing revenue distribution fund that is earmarked toward academic performance. The Division I Revenue Distribution Task Force will be making a recommendation by the August meeting.

(3) The $750,000 allocation for championships is to offset the increases in travel costs as a result of fuel prices.

(4) Divisions II and III are receiving their respective allocations of 4.37 percent and 3.18 percent of the revenue increases.

(5) In the membership support services line item under Association-wide expenses, the Finance Committee recommends an additional $500,000 investment in resources toward major infractions investigations and amateurism matters in the sport of football and basketball. This is in addition to the investment that was committed in the prior year.

(6) In the general and administrative line item, $2 million is allocated to fund the additional interest on the tax-exempt bonds and the operating costs for the new building expansion project. The debt will be paid off over 10 years.

(7) The Finance Committee supported a 2.25 percent salary merit adjustment pool and $290,000 for equity adjustments, if needed to align selected positions to the market place.

It was VOTED [For 13, abstain 1.]

"To approve the budget recommendations as proposed by the Finance Committee."

b. Second quarter FY 2010-11 budget-to-actual. The Association has received approximately a third of the budgeted revenues in the first half of the year, which is in line with the prior year. The Association's expenses are 19 percent of the total budget for the first half of the year. The majority of the expenses occur primarily in the second half as a result of the Division I revenue distribution and championship expenses. The Finance Committee noted that it would be interviewing three independent audit and tax firms (KPMG, Deloitte, and Crowe Horwath) and will decide what firm will perform the audit and tax services over the next five years.

5. Report from Executive Committee working group on membership issues.

The Committee received a report from the Executive Committee Working Group on Membership Issues. The group was formed in January 2010 and charged with exploring membership growth from an Association-wide perspective and developing strategic solutions to enhance opportunities for student-athletes and position the NCAA for the next decade. The working group noted that the membership processes within each division were effective and should be continued; however, there was an identified need for greater educational resources to more adequately inform institutions seeking membership within the NCAA or current members seeking to reclassify their athletics programs. The working group also emphasized the need for scenario planning to manage membership growth in the event of significant changes to the current landscape of athletics associations. It reviewed projected growth at the Divisions II and III levels and noted the need for greater financial flexibility to manage increased staffing and support needs as well as and a possible restructuring of the membership fee to more appropriately represent the value of the NCAA brand. Finally, the working group noted that, in a federated structure, while the decision of divisional membership rests appropriately with each division, the Association-wide impact of membership processes and decisions must be considered.

The working group discussed membership categories and previously forwarded a recommendation to eliminate corresponding membership and redefine the requirements for the "affiliated membership" category to restrict it to coaches and sports associations for sports sponsored by the NCAA and to associations comprised of college/university administrators. As a part of this report, the working group recommended a change in affiliated membership fee structure.

a. Educational initiative. The working group recommends that the Executive Committee charge a joint group of the Divisions II and III membership committees, with representation from the Division I Administration Cabinet, to create and establish a robust educational initiative around membership standards and the differences among the divisions. This initiative should take the form of a mandatory, broad-based preliminary educational model for institutions interested in entering the provisional or reclassifying membership process in any division. This model should include detailed and "user-friendly" comparisons of each division made available through the NCAA website. The working group noted that, while each division has a clearly defined membership process that allows institutions to explore and understand the philosophy of that division, it would be beneficial to provide a comparison model that highlights differences among divisions prior to an institution entering the provisional membership process. This initiative will give new or reclassifying members a broader perspective of NCAA membership as a whole and should result in more informed decision-making.

It was VOTED

"To approve the development of an educational initiative as noted and charge the abovementioned committees with developing this model."

b. Financial flexibility. The working group recommends that the Executive Committee endorse a recommendation for increased financial flexibility for dollars already allocated to Divisions II and III to manage potential support and staffing needs as membership increases over the next several years. The group also recommends that the national office staff conduct an assessment of the Divisions II and III membership fee structure, similar to the assessment done to establish the new Division I membership fee, that would include not only actual costs of services provided during the provisional membership process but also consider the estimated value of affiliation with the NCAA brand.

It was VOTED

"To approve the recommendation for increased financial flexibility within Divisions II and III to manage support and staffing needs for membership growth and to charge the national office staff with conducting an assessment of the Divisions II and III membership fee structure."

c. Scenario planning and research. The working group recommends that the Executive Committee charge the NCAA research staff, in conjunction with the Divisions II and III membership groups, to conduct specific scenario analyses and develop a flexible long-range membership plan in the event of significant changes either to the higher education landscape or athletics associations. In addition, the working group recommends ongoing research to assess sports sponsorship and participation trends, as well as changes in higher education, including issues impacting four-year colleges, two-year colleges and the growing community of for-profit institutions. The working group noted that these trends highlight areas where membership growth could occur for the Association in the future.

It was VOTED

"To charge the research staff in conjunction with the Divisions II and III membership committees to conduct scenario analyses, develop a flexible long-range membership plan and through research monitor ongoing trends in higher education and athletics."

d. Affiliated membership fee. The working group recommended that the Executive Committee direct the divisional governance structure to consider legislative action to increase the affiliated membership fee from $225 to $500. The working group

noted that the fee had not been increased in more than 10 years, and an increase for inflation purposes is appropriate. Additionally, the working group noted that the recommended fee ($500) is an appropriate amount when comparing it to the annual fee for other professional organizations to which the NCAA belongs. The working group also noted that institutions that satisfy the new requirements and desire to be affiliated members will be able to continue to use the NCAA marks on websites solely for the purpose of promoting, marketing or publicizing their relationship with the NCAA. Any use of the NCAA marks beyond this will need approval by the NCAA.

It was VOTED

"To direct the divisional governance structure to adopt legislation to increase the affiliated membership fee to $500."

6. NCAA Executive Committee Subcommittee on Gender and Diversity Issues.

The Committee received a report from the Executive Committee Subcommittee on Gender and Diversity Issues. The subcommittee offered three recommendations.

a. Committee restructuring. The subcommittee recommended that the NCAA Executive Committee dissolve the Executive Committee Subcommittee on Gender and Diversity Issues and direct the divisional governing bodies to sponsor legislation that would specify presidential involvement on the NCAA Committee on Women's Athletics (CWA) and the NCAA Minority Opportunities and Interests Committee (MOIC). Additionally, it would specify that representation on each of these committees be increased from 15 members to 18 members to account for the addition of one president from each division and to specify equal distribution of members among each division. Further, it would specify the creation of a joint inclusion body comprised of representatives from the CWA and the MOIC, including presidential representation that would provide oversight on broad inclusion initiatives. Finally, it would establish joint subcommittees of MOIC and CWA focusing on key dimensions of diversity beyond gender and race.

The subcommittee noted that in 2010 the Executive Committee adopted an expanded framework around diversity, inclusion and gender equity, and the NCAA reorganized its inclusion office to support this mission. The framework provides for greater focus across dimensions of diversity including, but not limited to, age, race, sex, class, creed, national origin, educational background, disability and gender expression. An examination of the charge and duties of the three primary advocacy committees within the governance structure indicated some overlap of mission but also areas where the structure was not adequately positioned to handle

specific issues beyond race and gender. Additionally, there was an identified need for increased presidential involvement within the substructure to provide greater guidance and insight at the policy development level. The recommended model maintains the brand and name recognition, as well as the autonomy of CWA and MOIC but creates a joint body that would provide broad oversight on inclusion matters and manage specific agendas beyond those related to race and gender. This model includes involvement of presidents at the committee level but also in a strategic planning and advisory capacity on the joint body. CWA and MOIC will continue to report through the divisional governance structure with a dotted reporting relationship to the Executive Committee.

It was VOTED

"To approve this recommendation as noted."

b. Confederate battle flag policy. The subcommittee recommended that the Executive Committee approve the request for an institution in the state of South Carolina to host an NCAA championship event outside the state. However, the subcommittee requests that the Executive Committee consider modifying the language of the Confederate flag policy to preclude such hosting in the future. The subcommittee noted that the policy, as written, does not preclude an institution from hosting a championship event outside the state and, as such, the institution should be permitted to host. However, the group noted that a primary purpose of the policy, beyond ensuring a quality experience for all student-athletes, athletics department staff, and fans, was to have an economic impact on those states that continue to fly the Confederate flag. In this case, while a state may not receive direct economic benefits when an event is held outside the state, the involvement of a state institution in the administration of that event results in indirect financial benefits accruing to the state.

It was VOTED

"To approve the request to permit the institution to host outside of the state of South Carolina, and to modify the policy as follows:

"The NCAA will not award future predetermined championship sites in states where the Confederate battle flag continues to have a prominent presence. **Further, an institution within such states may not host a predetermined NCAA championship event outside the state."**

For future predetermined championship sites in general, the Executive Committee adopted the following standards:

(1) Among the other criteria considered when selecting current and future championships sites, the NCAA will continue to consider the ability of a site to provide a quality experience for the participants and fans and to conduct those events safely.

(2) In determining whether a proposed site can provide a quality experience, the NCAA will consider the site's ability to assure that the benefits inherent in championship competition will flow fairly to all participants and its ability to promote an atmosphere of respect for and sensitivity to the dignity of every person.

(3) The NCAA's focus will be on education and a quality championships experience.

(4) Note: None of the Association's championship sites that might be awarded based on competitive record or seeding will be affected by the Committee's action.

In April 2004, the Executive Committee directed the Football Certification Subcommittee of the Division I Championships/Competition Cabinet, which oversees the certification of all exempted football contests, to deny any requests for certification of bowl games in any state where a moratorium exists as a result of the state's Confederate flag stance.

7. NCAA drug-testing results for 2009-10. The Committee received a report from the NCAA Committee on Competitive Safeguards and Medical Aspects of Sports (CSMAS). The report included final results of the 2009-10 NCAA drug testing in championship events for all divisions, as well as year-round testing in Divisions I and II. CSMAS requested permission to publish the 2009-10 drug testing results

It was VOTED

"To approve the publication of the 2009-10 drug testing results. Further the Committee delegated this authority to the NCAA president in the future."

8. Report from NCAA Committee on Sportsmanship and Ethical Conduct.

The Executive Committee received an update from the NCAA Committee on Sportsmanship and Ethical Conduct. The NCAA recently hosted a summit on the impact of violence on student-athletes. The summit was well-attended, with 100 participants on site and an additional 107 participating by webcast. The next component will occur during the

NCAA Leadership Conference in October and will engage more than 450 student-athletes. Additional sessions are being planned to reach out to coaches and administrators and other relevant stakeholders.

9. 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) Used its authority to adopt emergency legislation to establish a three-year football bowl licensing moratorium in order to provide time to appoint a task force to address a set of issues associated with the NCAA's role in the process.

(2) Reviewed and approved a recommendation to assign a senior-level NCAA staff member with the responsibility for establishing closer collaboration with the U.S. Olympic Committee with regard to prioritizing and sustaining Olympic sports within the collegiate structure.

(3) Reviewed recommendations regarding the Division I athletics certification program and approved the following:

(a) Adopted emergency legislation that that would specify that no additional active member institutions would enter the Division I athletics certification process through August 1, 2013.

(b) That all 45 "class 3" institutions must complete the process and submit their self-study reports based on the timeline determined by the NCAA Division I Committee on Athletics Certification. The committee will determine which institutions should be subject to an evaluation visit based on the institution's submitted self-study report. Institutions determined not to need an evaluation visit shall have the option of completing the process with or without that visit. Further, the Board noted that those institutions currently completing the process should be placed at the back of the queue should there continue to be classes of institutions in the newly developed certification process.

(4) The Board appointed the following members to serve on the Executive Committee:

(a) William Beauchamp, president, University of Portland, West Coast Conference.

(b) William Meehan, Jacksonville State University, Ohio Valley Conference.

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

(1) Conducted a meeting Wednesday evening, April 27, with conference commissioners and the chair (or other designated president/chancellor) of each conference's presidential body. In total, 27 presidents and chancellors attended the meeting, as well as 20 of the 22 Division II conference commissioners. The meeting consisted of three topics of importance to the division:

(a) Gender equity in Division II—a presentation was given by a Division II institution that has recently gone through a Title IX investigation following an U.S. Office of Civil Rights random audit.

(b) Division II student-athlete experience—the GOALS 2010 study provided Division II presidents/chancellors and commissioners with detailed information on the athletics, academic and social experiences of current student-athletes across all sports in all three NCAA divisions.

(c) Division II strategic membership growth—since fall 2010, different groups within the Division II governance structure have had the opportunity to discuss the possible effects of membership growth based on a membership modeling project. It is anticipated that some policy changes will occur in 2011 and legislation will be considered at the 2012 NCAA Convention

(2) Approved a long-range budget framework, which was recommended by the Division II Long-Range Projections Task Force, through 2023-24. This framework accounts for membership growth, while maintaining current active member benefits, particularly for the Division II enhancement fund and conference grant program. With the purchase of an insurance policy and the targeted reserve, the division will be well positioned for the

next several years. The framework is also consistent with the feedback that was received from the Division II membership and constituent groups this past year.

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

(1) Presidential legislative package for the 2012 Convention. Endorsed the development of several possible amendments to the division's philosophy statement for the 2012 Convention:

(a) Emphasize that Division III athletics are primarily focused on the undergraduate educational experience in a four-year time frame.

(b) Clarify that initial- and continuing-eligibility standards are best left to institutional and conference autonomy.

(c) Expressing a commitment to supporting a student-athlete's right to meaningful participation in nonathletic pursuits as a method of enriching the overall educational experience.

These concepts were initially generated as part of the division's 2008 white papers on membership growth and reflect themes that are core to the Division III Identity. While the Council also considered use of the division-dominant voting standard for related legislative proposals (that would have subjected the provisions to a super-majority voting requirement), it was determined that such an action is premature and could undermine the division's efforts to cohesively align under its philosophy statement and strategic positioning platform. The Council will formally consider sponsorship after discussing these items with the Division III President's Advisory Group in August.

(2) Division III reserve policy. Approved establishment of a reserve policy that mandates the division maintain in reserve an amount equal to 80 percent of the division's projected revenue for that budget year. The division will credit its annual $10 million financial recovery insurance towards the mandated minimum.

(3) 2011-12 identity activation. In addition to managing ongoing efforts, the Council discussed development of the Special Olympics partnership and endorsed the establishment of a national Division III week to be conducted in winter 2012.

(4) Drug education and testing. Approved establishment of a Division III drug education and testing strategy that retains the status quo championships testing program and makes funds available for campuses to conduct enhanced education and/or testing at the institution's discretion. The division will not pursue the addition of academic year-round drug testing at this time.

(5) Transgender student-athlete participation. Generally endorsed the transgender student-athlete participation policy as presented by the CSMAS. The Council also expressed interest in guidance for institutions in dealing with transgender student-athletes who have not received medical treatment related to their transition.

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

11. Adjournment. Ray adjourned the meeting at 4:15 p.m.

# # # # #

**SUPPLEMENT NO. 2~~2~~**
**Executive Committee ~~Finance Committee 12/10~~8/11**

National Collegiate Athletic Association

Finance Committee of the NCAA Executive Committee

Audit Charter

Effective January 9, 2004
(Proposed Changes July 18, 2011)

I. Purpose.

The Finance Committee (the "Committee") shall assist the National Collegiate Athletic Association (NCAA) Executive Committee in providing oversight regarding:

a. The integrity of the Association's financial statements;

b. The Association's compliance with legal and regulatory requirements;

c. The independent auditor's qualifications and independence; and

d. The performance of the Association's independent auditors.

II. Responsibilities and Duties.

The responsibilities and duties enumerated in this section shall be common recurring activities of the Committee in carrying out its purposes. The Committee may assume additional duties or responsibilities carry out additional functions or adopt additional policies and procedures as may be appropriate to meet its purposes or this may be necessary because of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the NCAA Executive Committee from time to time.

a. Retention and Terms of Engagement. The Committee shall exercise the sole authority and responsibility to appoint or replace, determine the compensation and other terms of engagement, and oversee the work of any independent auditor.

b. Annual External Audit Plan. The Committee shall approve, after discussion with the independent auditor, the overall audit scope and plan.

c. Annual Financial Statements. The Committee shall review the Association's annual audited financial statements with management and the independent auditors prior to public dissemination and discuss with the independent auditors matters required to be discussed by Statement of Auditing Standards No. 61.

d. Internal Control Report. The Committee shall review and discuss with management and the independent auditors the annual internal control report of management required by applicable rules and best practices.

e. Accounting Policies and Alternatives. The independent auditors shall inform and review with the Committee all matters regarding:

1. Critical accounting policies and practices to be used by the Association.

2. Alternative treatments of financial information within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.

3. Other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

4. Issues regarding accounting changes and internal controls. The Committee shall review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Association's selection or application of accounting principles, any major issues as to the adequacy of the Association's internal controls, and any special audit steps adopted in light of material control deficiencies.

5. Analyses regarding financial statements. The Committee shall review analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.

6. Regulatory and accounting initiatives. The Committee shall review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Association.

f. Resolution of Disagreements. In overseeing the work of the independent auditor, the committee shall resolve any disagreement between management and the auditor regarding financial reporting.

g. Approval of Services. The Committee shall approve in advance any audit or non-audit services provided to the Association by the independent auditor. Management shall be responsible for ensuring the requisite disclosure of any

approval by the Committee of non-audit services. Approval in advance is not necessary for non-audit services if: the aggregate amount of all such non-audit services provided to the Association constitutes not more than five percent of the total amount of revenues paid by the Association to its independent auditor during the fiscal year in which the non-audit services are provided.

h. Annual Evaluation. While taking into account the opinions of the Association's management, the Committee shall perform an annual review of qualifications and performance of the independent auditor. The Committee will evaluate the lead partner and the concurring partner of the independent auditor to ensure rotation between the two. The documented results of the report will describe:

1. The auditing firm's internal quality-control procedures.

2. Any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the auditing firm, and any steps taken to deal with any such issues.

3. The auditor's independence and any relationships between the independent auditor and the Association.

4. Any audit problems or other difficulties encountered by the auditor in the course of the audit process, including any restrictions on the scope of the independent ~~auditors~~auditor's activities or on access to requested information, and any significant disagreements with management.

i. Other.

1. Legal Matters. The Committee may review periodically, with the Association's General Counsel, legal matters that could have a material impact on the Association's financial statements.

2. Risk Assessment and Management. The Committee shall review and discuss the Associations guidelines and policies with respect to risk assessment and risk management.

3. Hiring Policies. The independent auditors may not provide audit services to the NCAA if a former partner or employee of the auditors is employed by the NCAA as its CEO, CFO, ~~controller~~and controller or in any other

financial reporting oversight role unless such employment would not impair the auditor's independence.

III. Limitations on Role.

Committee Oversight. The Association's management is responsible for preparing the Association's financial statements and providing all required certifications relating to the financial statements. The external auditors are responsible for auditing the financial statements. In carrying out its responsibilities, the committee is not providing any expert or special assurance or any guarantee as to the Association's financial statements or other public disclosure or any professional certification as to the external auditor's work.

Delegation of Approval. The Committee may delegate to one or more of its members the authority to approve in advance all audits or permitted non-audit services to be provided by the independent auditor.

IV. Structure and Operation.

a. Composition and Qualifications.

Number and Independence. The committee shall comprise not fewer than four members of the Executive Committee and one financial expert appointed by the Executive Committee. The financial expert may be outside the NCAA committee structure in order to obtain the financial expertise. (Attachment A)

Literacy and Expertise. Each member of the Committee who is also on the Executive Committee shall have a working familiarity with basic finance and accounting practices. ~~and at least one member should have prior audit committee or financial experience~~. The member of the Committee appointed as a financial expert should have extensive audit and financial experience.

b. Appointment and Removal.

Finance Committee Appointment. The members of the Committee shall be appointed by the Executive Committee and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The terms of the committee members shall align with their terms on the Executive Committee other than the committee member that has been designated as the financial expert which term shall be for four years, with the option for renewal by the Executive Committee of one additional four year term.~~.~~

Finance Committee Replacement. The members of the Committee may be replaced, with or without cause, by action of the Executive Committee.

c. Chair. The Executive Committee shall designate a Chair from among the members of the Committee.

d. Subcommittees. The Executive Committee or the Finance Committee may appoint such subcommittees of the Committee from among the members of the Committee as they shall deem necessary or appropriate to carry out specific duties and responsibilities.

e. Investigations, Access and Outside Advisors. In discharging its duties and responsibilities, the Committee is empowered to investigate any matter relating to its purpose, duties or responsibilities that it deems appropriate and shall have full access to all books, records, facilities and personnel of the Association. The Committee shall have full authority without the need for any other Board approval to retain outside legal counsel, accounting or other advisors in carrying out its duties and responsibilities, including the authority to approve the fees payable to such advisors and any other terms of retention. Such advisors shall have such access to the books, records, facilities and personnel of the Association as the Committee shall consider appropriate.

V. Meetings.

a. Frequency. The Committee shall meet at least semi-annually or at such additional times as the Committee shall consider appropriate to fulfill its duties and responsibilities.

b. Separate Meeting. The Committee may meet separately with management including the president, chief operating officer the ~~senior~~ vice~~-~~ president of administration and CFO, and the managing director of finance and operations. The Committee may meet separately with the independent auditors to discuss any matters believed appropriate.

c. Periodic Disclosure Meetings. The Committee shall meet with the independent auditors and management annually to review the Association's financial statements as provided in this Charter.

d. Call of Meetings. The Chair of the Finance Committee or any member of the Committee may call meetings of the Committee in accordance with its charter.

e. Action without a Meeting. A majority of the members will constitute a quorum. A majority of the members present at any meeting in which a quorum is present may act on behalf of the committee. The committee may meet by telephone, video conference or in-person to carry out its responsibilities.

e. Committee Reports. The Committee will report its recommendations and actions to the Executive Committee, and approval of actions shall be recorded in the Executive Committee minutes. Its recommendation may take the form of an oral report by the chair or any member of the Committee designated by the Committee to make such report.

~~The National Collegiate Athletic Association~~
~~May 18, 2004 JLI:gmn~~

The National Collegiate Athletic Association
May 18, 2004 JLI:gmn

**DAVID E. LECHNER**
**VICE PRESIDENT FOR BUSINESS & FINANCE**
**University of Nebraska**

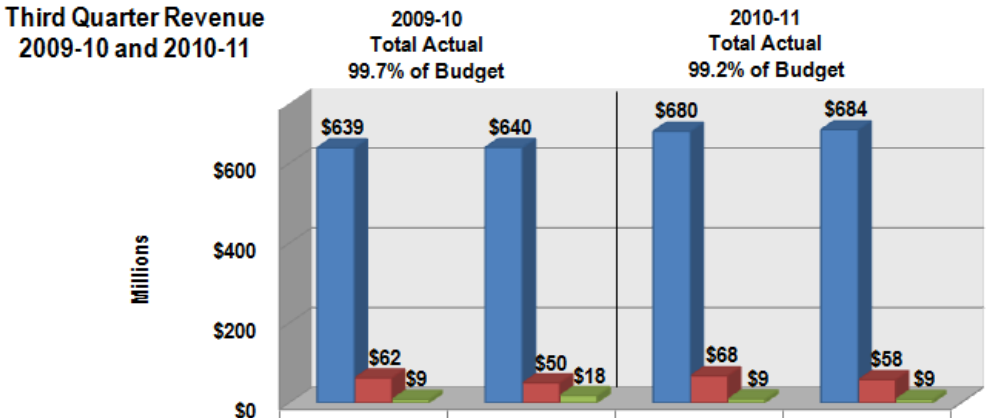
David Lechner is Vice President for Business & Finance at the University of Nebraska.

At the University of Nebraska, he is Chief Financial Officer for the University system, which is comprised of four campuses, with primary responsibility to the President and the University's elected Board of Regents. His oversight encompasses management of the University's debt portfolio, University-held endowments, health plan, and special purpose entities serving the University and its campuses. Other responsibilities include capital planning and management, active involvement with key persons in the executive and legislative branches in Nebraska state government, financial reporting, athletics, budgeting, risk management, collective bargaining, human resources, internal and external auditing, and administrative responsibility for the University's financial computing system. He also works closely with the University's separate Foundation. Lechner also serves on the audit committee of the Board of the Nebraska Medical Center, the joint venture which was created to operate the University system's hospital.

David is a Certified Public Accountant and his professional affiliations include the American Institute of Certified Public Accountants (current member of AICPA Council), Nebraska Society of Certified Public Accountants (Past Chairman), National Association of College and University Business Officers, and Government Finance Officers Association. He has served and continues to serve a wide variety of philanthropic and charitable organizations. He previously served the NCAA on a task force relating to financial reporting and dashboards.

Prior to joining the University of Nebraska, Mr. Lechner was a Director in the audit practice of Deloitte. He was an active member of the firm's national public sector practice and his clientele centered on auditing and consulting services related to large state and local governmental institutions, higher education and not-for-profits, but his portfolio also contained clients that were publicly held and operated in a variety of industries including construction and financial institutions.

# National Collegiate Athletic Association
## Comparison of Budget to Actual Revenues and Expenses
## Third Quarter of 2009-10 and 2010-11



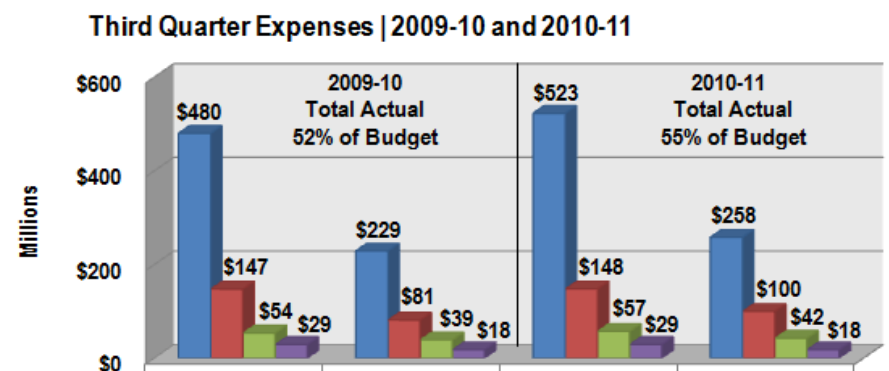

| | 2009-10 Budget $710,000,000 12 Months | 2009-10 Actual $707,687,000 Q3 ending 5/31/10 | 2010-11 Budget $757,000,000 12 Months | 2010-11 Actual $750,965,000 Q3 ending 5/31/11 |
|---|---|---|---|---|
| TV & Marketing Rights | $639,000,000 | $639,513,000 | $680,000,000 | $684,243,000 |
| Championships | $62,300,000 | $49,933,000 | $67,800,000 | $57,886,000 |
| Other | $8,700,000 | $18,241,000 | $9,200,000 | $8,836,000 |

***Revenues***

- The Association has received 99% of planned revenues in the first three quarters of the year which is comparable to the prior year.
- The Association received 100% of its TV and marketing rights fees in the first three quarters of the year.
- Championships revenue is approximately 85% of plan which is higher than prior year as preliminary ticket sales for men's basketball increased $3 million over prior year. In addition, the licensing fees for secondary ticket market rights increased $2.5 million over prior year.
- The decrease in other revenue is primarily related to fluctuations in investment income. The prior year had recorded $7 million in unrealized gains. The current year includes $5 million in unrealized losses. Note that investment income is not a planned revenue for budget purposes. Investment earnings are allocated to the Quasi Endowment per an Executive Committee policy.

***Expenses***

- Division I expenses at the end of the third quarter are 49% of plan which is consistent with prior year. The remaining Division I distributions occur in the fourth quarter.
- Division II and III expenses are within budget parameters, but are higher than prior year as a result of a $2.6 million Division II supplemental distribution, and additional conference grants distribution for Division III.
- The Associations' total expenses at the end of the third quarter are 55% percent of the total budget. This is approximately four percentage points higher than prior year as a result of a settlement with a third party over the use of March Madness trademark, and the additional supplemental revenue distribution of $27 million paid in the second quarter.




| | 2009-10 Budget $710,000,000 12 Months | 2009-10 Actual $366,975,000 Q3 ending 5/31/10 | 2010-11 Budget $757,000,000 12 Months | 2010-11 Actual $417,960,000 Q3 ending 5/31/11 |
|---|---|---|---|---|
| Division I | $479,955,000 | $228,802,000 | $522,752,000 | $257,908,000 |
| Assoc-wide/Reserves | $147,433,000 | $81,338,000 | $147,741,000 | $99,768,000 |
| Division II & III | $53,605,000 | $38,960,000 | $57,153,000 | $42,429,000 |
| Administrative Services | $29,007,000 | $17,875,000 | $29,354,000 | $17,855,000 |

**NCAA REVENUES AND EXPENSES**
**Third Quarter Budget to Actual**
**FOR FISCAL YEAR ENDING 08/31/2011**

| | 2009-10 BUDGET | 2009-10 ACTUAL AS OF 05/31/2010 | | 2010-11 BUDGET | 2010-11 ACTUAL AS OF 05/31/2011 | % OF BUDGET TO ACTUAL |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Television and Marketing Rights Fees | 639,000,000 | 639,513,000 | 100.1% | $ 680,000,000 | $ 684,243,000 | 100.6% |
| Championships | 62,300,000 | 49,933,000 | 80.1% | $ 67,800,000 | $ 57,886,000 | 85.4% |
| Other | 8,700,000 | 18,241,000 | 209.7% | $ 9,200,000 | $ 8,836,000 | 96.0% |
| **TOTAL NCAA OPERATING REVENUE** | **$ 710,000,000** | **$ 707,687,000** | **99.7%** | **$ 757,000,000** | **$ 750,965,000** | **99.2%** |
| **EXPENSES** | | | | | | |
| Division I Revenue Distribution | 418,386,000 | 182,460,000 | 43.6% | $ 452,200,000 | $ 207,568,000 | 45.9% |
| Division I Championship, Tournaments, and Programs | 61,569,000 | 46,342,000 | 75.3% | $ 70,552,000 | $ 50,340,000 | 71.4% |
| **Total Division I Expenses** | **$ 479,955,000** | **$ 228,802,000** | **47.7%** | **$ 522,752,000** | **$ 257,908,000** | **49.3%** |
| Division II Allocation | 31,027,000 | 23,693,000 | 76.4% | $ 33,081,000 | $ 26,157,000 | 79.1% |
| Division III Allocation | 22,578,000 | 15,267,000 | 67.6% | $ 24,072,000 | $ 16,272,000 | 67.6% |
| **Total Division-Specific Expenses** | **$ 533,560,000** | **$ 267,762,000** | **50.2%** | **$ 579,905,000** | **$ 300,337,000** | **51.8%** |
| Association-Wide Expenses | | | | | | |
| Student Athlete Services | 51,800,000 | 38,598,000 | 74.5% | $ 53,103,000 | $ 40,487,000 | 76.2% |
| Membership Support Services | 28,100,000 | 18,236,000 | 64.9% | $ 28,834,000 | $ 18,956,000 | 65.7% |
| Communications Support Services | 8,506,000 | 6,897,000 | 81.1% | $ 8,714,000 | $ 5,679,000 | 65.2% |
| Educational Services | 5,900,000 | 3,507,000 | 59.4% | $ 6,008,000 | $ 3,666,000 | 61.0% |
| Legal and Insurance | 18,490,000 | 12,263,000 | 66.3% | $ 18,951,000 | $ 13,050,000 | 68.9% |
| General and Administrative | 29,007,000 | 17,875,000 | 61.6% | $ 29,354,000 | $ 17,855,000 | 60.8% |
| **Total Association-Wide Expenses** | **$ 141,803,000** | **$ 97,376,000** | **68.7%** | **$ 144,964,000** | **$ 99,693,000** | **68.8%** |
| Reserves and Contingencies | 34,637,000 | 1,837,000 | 5.3% | $ 32,131,000 | $ 17,930,000 | 55.8% |
| **TOTAL NCAA OPERATING EXPENSES** | **$ 710,000,000** | **$ 366,975,000** | **51.7%** | **$ 757,000,000** | **$ 417,960,000** | **55.2%** |

NCAA and Transgender Student-Athlete Participation.

The NCAA currently does not have a published policy or interpretation to assist the membership with questions about fair and equitable participation by student-athletes who identify as transgender, i.e., a psychological and social identification as a man or a woman that differs from the person's sex at birth. A person who was born female and transitions to male is termed trans-male. A person who was born male and transitions to female is termed trans-female.

In consultation with medical and research experts who have advised both the Olympic committee and others working with transgender athletes, the Committee on Competitive Safeguards and Medical Aspects of Sports and the Committee on Women's Athletics support the following to provide direction regarding the participation of a transgender student-athlete:

- *A [trans-male] student-athlete who has received a medical exception for treatment with testosterone for diagnosed Gender Identity Disorder (GID), for the purposes of NCAA competition may compete on a men's team, but is no longer eligible to compete on a women's team without changing that team status to a mixed team.*

- *A [trans-female] student-athlete being treated with testosterone suppression medication for GID, for the purposes of NCAA competition may continue to compete on a men's team but may not compete on a women's team without changing it to a mixed team status until completing one calendar year of testosterone suppression treatment.*

- *It is the responsibility of the NCAA institution to submit the request for a medical exception for testosterone treatment prior to the student-athlete competing while undergoing treatment. In the case of testosterone suppression, the institution must submit written documentation of the year of treatment and ongoing monitoring of testosterone suppression.*

- *For the purpose of NCAA competition, cases of GID treatment being interrupted will be reviewed on a case-by-case basis.*

In addition to addressing policy, the above committees and NCAA staff have developed a resource handbook and a video to help the membership with full understanding of the issues. The Executive Committee will provide a final review and approval to establish the above policy for the membership at its August 2011 meeting.