



## MEMORANDUM

July 18, 2012

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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 Governance and International Affairs.

SUBJECT: August 1 NCAA Executive Committee Meeting.

This message is to notify you that the agenda and supplements for the August 1 meeting of the NCAA Executive Committee are ready for your review.

**The meeting will be held from approximately 3 to 6 p.m. at the NCAA national office [Grant Ballroom], 700 West Washington Street, Indianapolis, Indiana 46204.**

You will receive your August 1 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

cc: Selected NCAA Staff Members

National Collegiate Athletic Association

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# AGENDA

## A G E N D A

### National Collegiate Athletic Association

#### Executive Committee

NCAA National Office  
Indianapolis, Indiana

August 1, 2012

1. Welcome and announcements.
2. Approval of January 13, 2012, meeting report. (Action) [Supplement No. 1]

*Anticipated Action. Approve the January 13, 2012, meeting report.*

3. Discussion with student-athlete advisory committee leadership. (Information)
4. NCAA President's report.
  - Year in review and the path forward.
5. NCAA Executive Committee Finance Committee report.

*Anticipated Action. Review and approve financial statements and related reports.*

- a. Third quarter FY 2011-12 budget-to-actual. (Information) [Supplement No. 2]
- b. White Case proposal. (Action) [Supplement Nos. 3a and 3b]
- c. Internal Audit Charter. (Action) [Supplement No. 4]
- d. Executive Summary of Executive Committee Finance Committee's recommendations for FY 2012-13 budget.
  - (1) Evaluation criteria with president's recommended allocations. (Information) [Supplement No. 5]
  - (2) FY 2012-13 budget requests and recommendations. (Action) [Supplement No. 6]

- e. Bond refinancing. (Information).

- 6. Reports from Association-wide committees.

***Informational. Review Association-wide items that will be reviewed by divisional governance bodies and return to the Executive Committee for review.***

- a. NCAA Committee on Competitive Safeguards and Medical Aspects of Sports. (Information) [Supplement No. 7]
  - b. NCAA Committee on Women's Athletics. (Information) [Supplement No. 8]
- 7. International membership pilot program. (Action) [Supplement No. 9 will be available at the meeting]
  - 8. 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.***

- 9. Election of Executive Committee chair. (Action)

***Anticipated Action. Selection of new Executive Committee chair.***

- 10. Future meetings. (Information)

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

- a. January 18, 2013. Grapevine, Texas.
  - b. August 7, 2013. Indianapolis, Indiana.
  - c. January 17, 2014. San Diego, California.
- 11. Adjournment.

# SUPPLEMENT NO. 1

REPORT OF THE  
NCAA EXECUTIVE COMMITTEE  
JANUARY 13, 2012

**KEY ITEMS.**

None.

**ACTION ITEMS.**

None.

**INFORMATIONAL ITEMS.**

1.     **Executive Session**   The Executive Committee convened an executive session to discuss personnel matters.
  
2.     **Welcome and announcements.** Ed Ray welcomed staff and members. He presented service awards to William Beauchamp, Ann Millner and David Schmidly from Division I; Drew Bogner and Rick Cole from Division II; and Jim Bultman from Division III.
  
3.     **Approval of August 11, 2011, meeting minutes.** The minutes of the August 11, 2011, Executive Committee meeting were approved as distributed.
  
4.     **Discussion with student-athlete advisory committee leadership.** The committee received reports from the leadership of the national student-athlete advisory committee (SAAC). Scott Krapf, chair of the NCAA Division I SAAC discussed student-athlete involvement throughout the governance structure and noted specifically their involvement with the presidential working groups. Krapf also informed the Committee of a new partnership between the Division I SAAC and the philanthropic organization Samaritan's Feet. Sarah Heberd, vice chair of the NCAA Division II SAAC, discussed its partnership with the "Make a Wish" Foundation and also noted that SAAC is in the process of drafting a recruiting best practices document from the student-athlete perspective. Brittany Petrella, chair of the NCAA Division III SAAC, commented on its Special Olympics initiative, noting that this partnership was activated at all Division III fall championships this year. Petrella also noted that the division has raised more than \$80,000 through Polar Bear Plunges and other activities for the Special Olympics.

**5. NCAA President report.**

President Emmert provided an update on a staff working group that has been established to conduct a risk assessment review of the Association. The working group will identify risks and ensure that appropriate controls, policies and procedures are in place to manage those risks. Donald Remy, executive vice president and general counsel, will report periodically on the progress and any recommendations from this group.

Emmert called on Bernard Franklin to provide an update on the recent NCAA Inclusion Summit and to discuss next steps for this initiative. Franklin noted that the summit was extremely well attended with more than 200 participants in person, and another 200 participating through webcast. He shared a short video highlighting some of the key issues that were raised during the conference. Franklin also noted that a session was held at the Convention to discuss strategic initiatives and future direction for the NCAA in this area.

**6. NCAA Executive Committee Finance Committee report.**

a. Fiscal year 2010-11 audited financial statements. The Finance Committee met with the audit firm of Deloitte to review fiscal year 2010-11 financial statements and conduct the required audit communications and review.

(1) Deloitte issued an unqualified opinion for the fiscal year statements ending August 31, 2011. Highlights of the Consolidated Statement of Financial Position are:

(a) The Association's total net assets increased by approximately \$55 million, which was \$12 million more than the prior year. The increase was primarily in investment earnings from the quasi-endowment and operating funds, which rebounded in fiscal year 2011 with \$33.4 million in investment earnings. In addition, the amount available for media rights and championships was greater than planned.

(b) Accounts receivable increased from \$11.7 million to \$29.3 million. This increase was a result of the amount outstanding from the state of Texas and Reliant Park related to the Final Four in Houston in the amount of \$15 million. Expenses are required to be submitted from the Houston local organizing committee to the state's comptroller's office.

- (c) The contributions revenue of \$35.5 million represents the value of the 50-year lease on the existing building and the additional land for the new office facility. This is a valuation of the state's contribution to the NCAA office facilities and land for \$1 a year rent over the 50-year time period.
- (d) The \$16 million decrease in goodwill and intangible assets is the result of an impairment analysis performed on the NIT, Arbiter and eOfficials. This is a change in accounting principle and a new requirement for nonprofits. Goodwill will no longer be amortized over a useful life, but rather an annual impairment analysis will be performed.
- (e) The increase in NCAA properties is the result of the new construction in progress related to the new office expansion.
- (f) Deferred revenue increased at \$2.5 million represents advance ticket sales for the 2012 Division I men's basketball championship. The NIT payable decrease from \$19.2 million to -0- reflects early payoff of the amount outstanding in the first quarter of fiscal year 2011. All allocations to the respective reserves, per Executive Committee policy, have been made.
- (g) The Association had an overall increase in revenue of \$96 million this past year primarily related to the increases in television and marketing rights fees as well as an increase of \$21 million in championship revenues.
- (h) The increase in investment income is a result of realized gains of \$5 million and an increase in unrealized gains of \$4 million.
- (i) The contributions revenue increase of \$17 million reflects an adjustment to the valuation in the prior year compounded by a modified lease with the existing building and the new land lease.
- (j) On the expense side, the distribution to Division I represents an eight percent increase in regularly scheduled distribution and a 2.6 percent increase in the supplemental distribution, or a total increase of \$45.4 million over the prior year.
- (k) Division I championships increase of \$6.7 million is the result several factors. The FCS expansion of bracket to 20 teams resulted

in an increase of \$700,000. Division I baseball had an increase of \$1.0 million, men's basketball had an increase of \$1.0 million in travel and there was an additional \$2.8 million in game expenses primarily related to the fan events at the Final Four. The Association did have corresponding revenue from the media rights contract to offset the increased expenses.

- (l) Association-wide programs had a one-time \$17.2 million settlement to a third party over the use of March Madness. This increase was partially offset by a decrease in amortization expenses for intangibles that are no longer recorded as a result in the change in accounting principal which was mentioned earlier.
- (m) The increase management and general is the result of new building project expenses, bond interest expenses, IT-related software maintenance and consulting costs, and expenses as a result of having a permanent President position filled year round.
- (n) Excess revenues over expenses for the year were approximately \$55 million.

It was VOTED

“To approve the fiscal year 2010-11 audited financial statements.” .

- b. Recommended uses of unallocated net assets. Fiscal year 2010-11 year ended with the Association having \$47 million in unrestricted net assets available for allocation. The Finance Committee recommended the surplus be used in the following manner:

- (1) \$36 million supplemental distribution to Division I.
- (2) \$1.6 million for health and safety initiatives. The NCAA intends to offer a grant(s) with the objective of collecting data on concussion activity with college student-athletes. In addition, the national office is discussing ways to identify current practices and compliance with the 2010 concussion legislation with the goal of identifying and sharing best practices. Both of these initiatives will require use of external independent contractors with an expected cost of somewhere between \$1 and \$1.6 million.
- (3) \$2.7 million allocated to fund initiatives related to transforming intercollegiate athletics. These initiatives, combined with the change in

athletics certification, will require extensive system development hours. In addition, in order to meet the aggressive timeline established by the Division I Board, third party contractors will be used for engagements such as rewriting of the rules and any updates in NCAA technology systems.

- (4) \$1.4 million for IT hardware, wireless in NCAA facilities and laptop replacement.
- (5) \$5 million for the NCAA facilities reserve. With the completion of the new facility, the building reserve will be depleted to around \$1.5 million. The recommendation is to put a new renewal and replacement funding process in place that includes a one percent of market value or \$900,000 annual addition to the fund. In addition, the national office would like to jump start this fund with a \$5 million allocation to the fund financed with unallocated net assets.

It was VOTED

“To approve the proposed unallocated net assets allocations.”

- c. Recommended budget allocations for FY 2012-13, 2013-14 and 2014-15. The Finance Committee recommended the following budget increases for the fiscal years 2012-13, 2013-14 and 2014-15:

- (1) Division I Revenue Distribution. The recommendations for increases for Division I align with the contractual increases expected from media rights and commitments made to the student assistance funds through 2012-13 as a result of the White Case settlement:
  - (a) 3.6 percent increase for 2012-13.
  - (b) 2.8 percent increase for 2013-14.
  - (c) 2.9 percent increase for 2014-15.
- (2) A Division I championships per diem increase of \$1.3 million has been allocated to offset lodging and meal costs over the next three years.
- (3) Division II and III allocations reflect 4.37 percent and 3.18 percent respectively of budgeted revenue per bylaw.

- (4) All other expenditures are to be budgeted using a 3 percent inflationary measure.
- (5) An allocation of \$750,000 a year has been allocated to address the President and Executive Committee priorities.

It was VOTED

“To approve the 2012-13, 2013-14, and 2014-15 proposed budget allocations.”

d. First quarter fiscal year 2012-12 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) Television and marketing rights revenue received is 15 percent of the budget and is consistent with the prior year. Championships revenue is 6.7 percent of plan, which is higher than prior year as preliminary ticket sales for men’s and women’s basketball increased \$3 million over prior year first quarter.
- (3) The Association’s total operating expenses are approximately 7.3 percent of the total budget for the first quarter, which is lower than prior year because of a \$17.2 million settlement with a third party that occurred in 2010 related to the March Madness trademark.
- (4) Association-wide expenses are 24.4 percent of plan for the first quarter, which is slightly lower than the same period in prior years; primarily due to timing.

e. White Case Settlement Former Student-Athlete Fund. The NCAA staff presented a plan for the use of residual funds left from the White Case Settlement. Per the settlement at the end of the three year period, any portion of the original \$10 million not paid is subject to distribution by the NCAA over a three year period. The Executive Committee Audit Committee approved for fiscal years 2011-12, 2012-13 and 2013-14 the use of \$1.0 million per year to be used to augment the Division I supplemental support fund for low-resourced institutions to enhance their current student-athletes academic programs.

The committee asked staff to bring to the April finance meeting a recommendation of how much of the remaining \$5.8 million should be allocated

to low-resourced institutions over the next three years versus distributed to Division I conferences based on the prior year's allocation to the student assistant funds. In addition, the committee requested that metrics be established to measure the success of these funds being allocated to the low-resourced institutions.

It was VOTED

“To approve the \$3.0 million allocation to be used for augmentation of the Division I supplemental support fund for low-resourced institutions.”

**7. 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) During its October 2011 meeting, the Board adopted legislation recommended by several of the Transforming Intercollegiate Athletics Working Groups that included the following. The Board noted that several of these items would be revisited during its January 2012 meeting due to receiving the requisite number of override vote requests from the Division I membership.
  - (a) Enhanced initial-eligibility and two-year College transfer requirements.
  - (b) An academic benchmark for participation in postseason competition.
  - (c) The provision of a miscellaneous expense allowance of up to \$2,000 for student-athletes receiving institutional aid in an amount equivalent to a full grant.
  - (d) A modification to equivalency computations so that all non-athletics financial aid no longer counts toward team limits.
  - (e) Legislation that would permit the awarding of multiyear grants-in-aid.

- (f) Legislation that would allow student-athletes to receive aid to complete their degrees after the current six-year time limitation.
  - (2) The Board adopted legislation establishing a new men's basketball recruiting model.
  - (3) The Board adopted legislation to permit Divisions II and III institutions with one sport (other than football or basketball) currently classified in Division I, the opportunity to reclassify one sport of the opposite gender to Division I.
- b. Division II Presidents Council. The Committee received an update on the actions of the Division II Presidents Council that included the following:
- (1) NCAA Accreditation Policy. The Presidents Council requested that the Executive Committee allow Division II to explore and study other means of accreditation specific to international institutions that wish to become members of Division II. Any change to the current requirements would require both a legislative change and an Executive Committee endorsement. The Executive Committee approved this request.
  - (2) 2012 NCAA Convention. Division II will vote on 16 proposals during its business session.
    - (a) Seven of the proposals are part of the consent package for the business session;
    - (b) Three of the proposals are part of the Presidents Council Strategic Membership Growth package and deal with conference membership size; conference privileges and automatic qualification; and
    - (c) Three of the proposals are part of the Presidents Council Ease of Burden package and deal with recruiting contacts; number and timing of telephone calls; and permissible number and timing of materials in the recruitment process. The proposals will permit an unlimited number of contacts, telephone calls and electronic communications starting June 15 prior to the prospect's junior year in high school.

- (d) Additionally, the membership will vote on the passage of the requirement for a sickle cell solubility test as part of the current mandatory medical examination process.
  - (3) NCAA Accreditation Policy. The Presidents Council endorsed the NCAA Accreditation Policy that will be considered by the NCAA Executive Committee at a future date. The policy provides clarification in determining whether an active or provisional member institution meets the applicable membership requirements regarding accreditation, as set forth in Article 3 of the NCAA Constitution.
  - (4) Make-A-Wish Foundation. Division II raised more than \$400,000 during the 2010-11 academic year for the Make-A-Wish Foundation. February 18-26 will be Division II's Week of Wishes. This is a co-branding effort between Division II and the Make-A-Wish Foundation in an effort to assist with fundraising efforts at the conference and institutional level. During the division's Week of Wishes, the Division II SAAC will promote fundraising through marketing efforts via the D2SA.ORG site and Division II Facebook site, in addition to providing every Division II institution and conference office with marketing items to support their fundraising efforts during the week.
  - (5) Division II Officers on Executive Committee. The Presidents Council elected Pat O'Brien, president, West Texas A&M University, as chair of the Presidents Council for 2012; Tom Haas, president, Grand Valley State University, as vice-chair of the Presidents Council for 2012; and Ann Martin, director of athletics, Regis University, as chair of the Management Council for 2012. All three of these Division II officers will attend Executive Committee meetings through the 2013 NCAA Convention.
- c. Division III Presidents Council. The Committee received an update on the actions of the Division III Presidents Council. These included:
- (1) NCAA Regional Accreditation Policy. The Council endorsed an NCAA Regional Accreditation Policy for NCAA Executive Committee approval at a future date. The policy clarifies that an active or provisional NCAA member institution that receives its accreditation as an additional instructional site, branch campus or additional location through a parent institution that is an NCAA member institution shall be considered to be meeting the NCAA legislation regarding accreditation. However, an active or provisional NCAA member institution that receives its accreditation as an additional instructional site, branch campus or additional location

through a parent institution that is not an NCAA member institution shall be considered to have failed to meet the accreditation requirements of the legislation.

- (2) Convention Legislative Preview. Significant legislation to be considered by the membership during its business session includes:
  - (a) Proposal No 1. To amend the Division III Philosophy Statement to emphasize four key concepts:
    - That intercollegiate athletics is primarily focused on a four-year, undergraduate experience;
    - To encourage broad-based sports sponsorship by maximizing the number and variety of institutional sport offerings;
    - To assure that student-athletes are supported in their efforts to meaningfully participate in non-athletic pursuits to enhance their overall educational experience; and
    - To respect institutional and/or conference autonomy in the establishment of initial and continuing eligibility standards for student-athletes.
  - (b) Proposal No 3. To require a sickle cell solubility test as part of the mandatory medical examination, unless documented results of a prior test are provided to the institution or the student-athletes declines the test and signs a written release; applicable to for all student-athletes, unless prior test results are available or the student-athlete signs a written release, similar to the rule existing in Division I and under consideration in Division II.
  - (c) Proposal No 8. To allow text messaging to be used in the recruiting process.
- (3) Academic Reporting. During the Convention, the Division III membership discussed the results and the future of its Academic Reporting pilot program in a forum of 95 round tables. Results showed federal student-athlete graduation rates that exceeded those of students in general, and academic success rates that approached 90 percent. Delegates discussed how the results could benefit the ongoing Identity Initiative, the burdens

associated with reporting, and evaluated the trade-offs. They also discussed various reporting options, including division-wide reporting and optional reporting, and annual or biannual reporting. The Council will consider the results of the discussion in April.

- (4) Special Olympics update. This partnership is continuing to grow, and was highlighted this fall by activity at each Division III national championship and \$80,000 in reported funds raised. The partnership will be highlighted at the Division III business session on Saturday morning, including remarks from a local Special Olympics athlete.
- (5) Alcohol and Other Drug Collaboration with NASPA. Division III has established a formal partnership with NASPA (Student-Affairs Administrators in Higher Education) to promote an integrated model for on-campus collaborations among student affairs and athletics professionals and provide resources to deliver effective alcohol and drug education for the well-being and success of all students. The division expects to launch a pilot program to a limited number of institutions this fall with a preliminary focus on alcohol. Over time, the program will be expanded to include the entire Division III membership, and include street-drugs and performance enhancing substances. This project is being pursued to enhance student-athlete well-being and the integrated model of Division III athletics.
- (b) Comprehensive Review of President's Council and Presidents Advisory Group (PAG) Representational Requirements. The Council has established a Working Group to undertake a comprehensive review of the current Presidents Council and PAG membership representational requirements. The working group will generate strategies to identify and recruit ethnic minority presidents for governance structure participation, in addition to its examination of the Presidents Council representational requirements to ensure they remain relevant and appropriate. (The current requirements were established in the mid 1990s to mirror the membership of the division and its presidential leadership that existed in Division III at that time.)

- 8. Election of Executive Committee chair.** The committee discussed the terms of the executive committee chair and the finance committee chair, and noted a preference for those terms to expire in August rather than in April to be more consistent with the budget cycle and the academic year. The committee voted to extend the term of the current executive committee chair and finance committee chair to expire after the August 2012 meeting.

*Committee Chair:* Ed, Ray, Oregon State University, Pacific-12 Conference  
*Staff Liaisons:* Bernard Franklin, MSAA  
Delise O'Meally, MSAA

January 13, 2012	
Attendees	Absentees
Michael Alden, University of Missouri, Columbia	Chris Martin, College Conference of Illinois and Wisconsin
William Beauchamp, University of Portland	William Harvey, Hampton University
Drew Bogner, Molloy College	Harris Pastides, University of South Carolina, Columbia
James Bultman, Hope College	
Rick Cole Jr., Dowling College	
Mark Emmert, NCAA president	
Judy Genshaft, University of South Florida	
Nathan Hatch, Wake Forest University	
Sidney McPhee, Middle Tennessee State University	
William Meehan, Jacksonville State University	
Ann Millner, Weber State University	
J. Patrick O'Brien, West Texas A&M University	
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	

Other Participants

David Berst, vice president of Division I

Gary Brown, director of NCAA News

Jackie Campbell, director of Division I

Daniel Dutcher, vice president of Division III

Terri Steeb-Gronau, director of Division II

Sarah Heberd, vice chair of Division II student-athlete advisory committee

Jim Isch, chief operating officer

Leah Karet, director of Division III

Scott Krapf, chair of Division I student-athlete advisory committee

Kevin Lennon, vice president of academic and membership affairs

Kathleen McNeely, vice president of administration and chief financial officer

Brittany Petrella, chair of Division III student-athlete advisory committee

Mike Racy, vice president of Division II

Donald Remy, executive vice president of legal affairs/general counsel

Wallace Renfro, vice president and chief policy advisor

Greg Shaheen, interim executive vice president of championships and alliances

Robert Vowels, vice president of student-athlete affairs and leadership development programs and resources

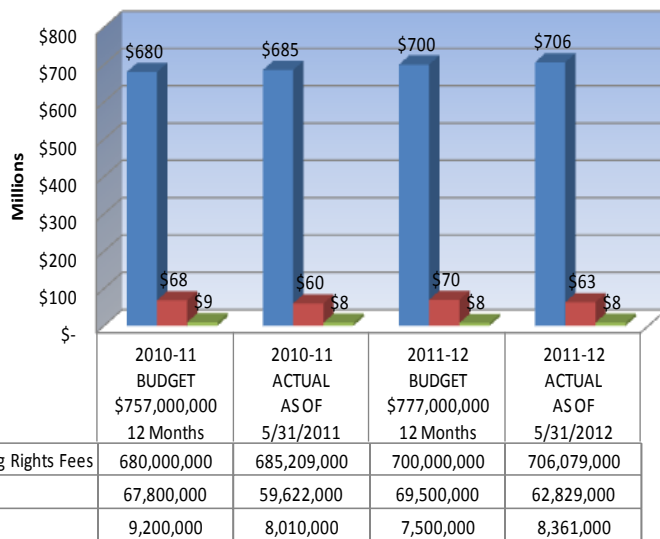
Bob Williams, vice president of communications

# SUPPLEMENT NO. 2



## National Collegiate Athletic Association Comparison of Budget to Actual Revenues and Expenses Third Quarter of 2010-11 and 2011-12

### THIRD QUARTER REVENUES FY 2010-11 / FY 2011-12



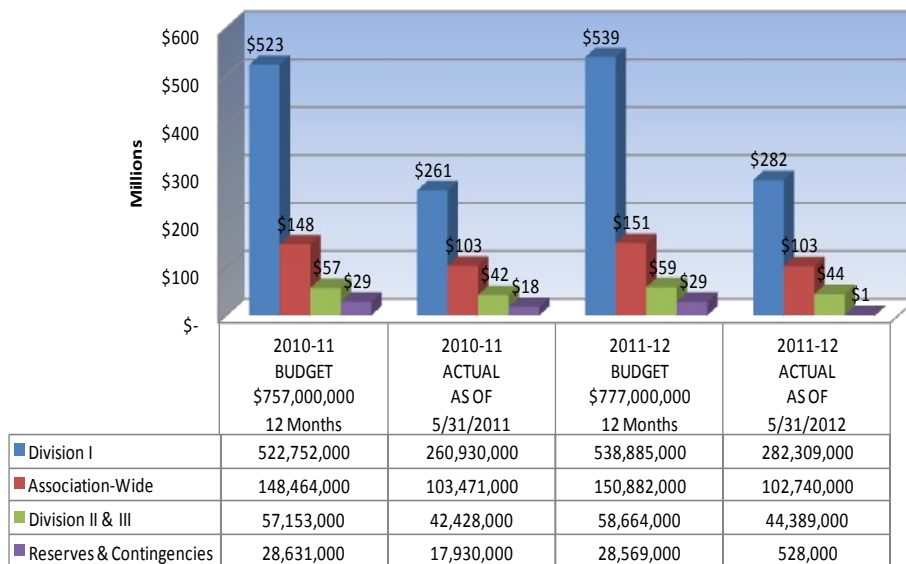
### EXPENSES

- The Associations' total expenses of approximately 55% of the total budget through the first nine months, is consistent with prior year.
- Division I expenses at the end of the third quarter are 52% of plan. The expenses include nine million dollars of additional supplemental distribution, in the fiscal year 2011-12. The remaining Division I distributions will occur in the fourth quarter. Division I championship, tournament, and program expenses have increased approximately ten percent from prior year as a result of increases in air travel costs. In addition, Division I fan festival expenses have been reclassified in the current year to align with the budget plan.
- Division II and III are within budget parameters, however, travel cost increases continue to provide budgetary pressures within the championships budget.
- Reserves and contingencies are significantly less in the current year, as the Association settled with a third party for \$17.2 million regarding the use of the March Madness Trademark in the prior year.

### REVENUES

- The Association has received 100% of planned revenues in the first three quarters of the year which is comparable to the prior year. It is anticipated that revenue will exceed the planned budget by two to three percent through the end of the year.
- The Association received 100% of its TV and marketing rights fees in the first nine months of the year. 70% of the media rights fees are received in the third quarter of the year. The remaining licensing and the official equipment supplier revenues will be received in the fourth quarter.
- Championships revenue is approximately 90% of the plan which compares to 88% in the prior year. The increase is related to Division I ticket revenues primarily in the men's basketball championship. The remaining championship revenue for winter and spring championships will be received in the fourth quarter.

### THIRD QUARTER EXPENSES FY 2010-11 / FY 2011-12



**NCAA REVENUES AND EXPENSES**  
**Third Quarter Budget to Actual**  
**FOR FISCAL YEAR ENDING 08/31/2012**

	2010-11 BUDGET	2010-11 ACTUAL AS OF 5/31/2011	% OF BUDGET TO ACTUAL	2011-12 BUDGET	2011-12 ACTUAL AS OF 05/31/2012	% OF BUDGET TO ACTUAL
<b>REVENUES</b>						
Television and Marketing Rights Fees	\$ 680,000,000	\$ 685,209,000	100.8%	\$ 700,000,000	\$ 706,079,000	100.9%
Championships	\$ 67,800,000	\$ 59,622,000	87.9%	\$ 69,500,000	\$ 62,829,000	90.4%
Other	\$ 9,200,000	\$ 8,010,000	87.1%	\$ 7,500,000	\$ 8,361,000	111.5%
<b>TOTAL NCAA OPERATING REVENUE</b>	<b>\$ 757,000,000</b>	<b>\$ 752,841,000</b>	99.5%	<b>\$ 777,000,000</b>	<b>\$ 777,269,000</b>	100.0%
<b>EXPENSES</b>						
Division I Revenue Distribution	\$ 452,200,000	\$ 207,569,000	45.9%	\$ 467,068,000	\$ 220,856,000	47.3%
Division I Championship, Tournaments, and Programs	\$ 70,552,000	\$ 53,361,000	75.6%	\$ 71,817,000	\$ 61,453,000	85.6%
<b>Total Division I Expenses</b>	<b>\$ 522,752,000</b>	<b>\$ 260,930,000</b>	49.9%	<b>\$ 538,885,000</b>	<b>\$ 282,309,000</b>	52.4%
Division II Allocation	\$ 33,081,000	\$ 26,156,000	79.1%	\$ 33,955,000	\$ 25,566,000	75.3%
Division III Allocation	\$ 24,072,000	\$ 16,272,000	67.6%	\$ 24,709,000	\$ 18,823,000	76.2%
<b>Total Division-Specific Expenses</b>	<b>\$ 579,905,000</b>	<b>\$ 303,358,000</b>	52.3%	<b>\$ 597,549,000</b>	<b>\$ 326,698,000</b>	54.7%
Association-Wide Expenses						
Student Athlete Services	\$ 53,103,000	\$ 42,012,000	79.1%	\$ 54,414,000	\$ 42,313,000	77.8%
Membership Support Services	\$ 28,834,000	\$ 18,955,000	65.7%	\$ 29,257,000	\$ 18,456,000	63.1%
Communications Support Services	\$ 8,714,000	\$ 5,679,000	65.2%	\$ 7,381,000	\$ 4,854,000	65.8%
Educational Services	\$ 6,008,000	\$ 3,666,000	61.0%	\$ 4,821,000	\$ 2,784,000	57.7%
Legal and Insurance	\$ 22,451,000	\$ 13,134,000	58.5%	\$ 22,941,000	\$ 15,081,000	65.7%
General and Administrative	\$ 29,354,000	\$ 20,025,000	68.2%	\$ 32,068,000	\$ 19,252,000	60.0%
<b>Total Association-Wide Expenses</b>	<b>\$ 148,464,000</b>	<b>\$ 103,471,000</b>	69.7%	<b>\$ 150,882,000</b>	<b>\$ 102,740,000</b>	68.1%
Reserves and Contingencies	\$ 28,631,000	\$ 17,930,000	62.6%	\$ 28,569,000	\$ 528,000	1.8%
<b>TOTAL NCAA OPERATING EXPENSES</b>	<b>\$ 757,000,000</b>	<b>\$ 424,759,000</b>	56.1%	<b>\$ 777,000,000</b>	<b>\$ 429,966,000</b>	55.3%

\*Does not include year to date investment earnings or losses as they are allocated to the Quasi Endowment, and not reflected in the general operating budget.

\*All capital costs and expenses related to the Brand Office Building project have been allocated to the office building reserve and not reported in the general operating budget.

# SUPPLEMENT NO. 3

## **NCAA Staff Recommendations Regarding the White Case Settlement Former Student-Athlete Fund**

### **Introduction.**

During its January meeting the NCAA Executive Committee discussed a plan for the use of the residual funds left from the White Case Settlement over a three-year period. The committee approved the use of \$3 million (\$1 million per year) of the \$8.8 million remaining funds to augment the NCAA Division I Supplemental Support Fund (SSF). The committee charged the NCAA staff with providing a recommendation of how much of the remaining \$5.8 million should be allocated to limited-resourced institutions over the next three years and how the funds should be allocated. The committee also charged the staff with establishing metrics to measure the success of these funds being allocated to limited-resourced institutions.

The staff is recommending two proposals that would allocate the remaining \$5.8 million to limited-resourced institutions over the next three years. These two proposals will provide an opportunity to assist all institutions defined as limited resourced.

### **Limited-Resource Institutions Pilot Program. (Attachment A)**

This proposal allows limited-resourced institutions the opportunity to apply to participate in a program where significant funds would be allocated to assist these institutions in developing systems and enhancements to increase the academic performance of student-athletes attending these institutions. Detailed application and selection criteria have been created and metrics have been established to hold institutions accountable and to measure the success of the program over the three year period. It is estimated that \$4.8 million will be used to administer this program over the three year period.

### **NCAA Division I Supplemental Support Fund Programming Initiative. (Attachment B)**

This proposal allocates additional funds to the Division I SSF to be used by institutions to enhance specific programs that directly affect student-athletes. These funds would be in addition to the \$3 million that was approved by the NCAA Division I Executive Committee in January. These funds would be administered through the SSF structure but would have additional reporting requirements to hold institutions accountable for the proper use of the funds and to better measure the success of the initiative. The staff is proposing an additional \$1 million be allocated for this initiative.

The funding of these two proposals will provide additional funds to all institutions defined as limited resource. Each institution would have the opportunity to apply for the pilot program and those that are not accepted into the program will still have the opportunity to receive assistance to implement some of the initiatives that are included in the pilot program.

# ATTACHMENT A

## Limited-Resource Institutions Pilot Program

### **Objective.**

Implement a three-year pilot program with an estimated five to nine NCAA Division I limited-resource institutions for the purpose of further developing systems and enhancements that assist each institution in meeting the requirements of the NCAA Division I Academic Performance Program (APP), including increasing the graduation rates and academic success of student-athletes. Money will be funded for the program for a three-year period; beyond the three-year period there is no guarantee additional funding will be available.

### **Outcomes.**

The primary measurable outcome for institutions participating in the pilot program is NCAA Division I Academic Progress Rate (APR) improvement and the development of a sustainable plan to ensure all teams meet the 930 APR benchmark.

Other specific benchmarks and outcomes should be set based on the specifics of the institution's plan and situation. Examples include:

1. Progress in APRs for teams below the 930 benchmark.
2. Improved individual student-athlete performances (credits earned per term, grade-point average).
3. Improved APR retention of student-athletes.
4. Improved APR eligibility of student-athletes.
5. Improved single-year APR.
6. Sustained commitment and engagement from university chancellor or president, director of athletics (AD) and other key institutional administrators.
7. Implementation of APR improvement plan.
8. Increased real-time graduates.
9. Accountability for dollars spent – submission of accounting of all dollars and assessment of impact of dollars.

### **Selection of Institutions.**

Institutions must submit an application to participate in the program. Applications must include the following:

- a. Key contact information for institutional staff responsible for oversight of program. At a minimum, the institutional staff responsible for oversight shall include the president or chancellor, athletics director, faculty athletics representative and the senior woman administrator.
  - b. Statement from the chancellor or president indicating involvement and support.
  - c. Penalty history for all teams, if any.
  - d. Infractions history, if any.
  - e. NCAA Division I Academic Performance Program Supplemental Support Fund (SSF) history, if any.
  - f. Historical overview of APRs and assessment of use of improvement plans.
  - g. How additional resources could assist the institution specifically in improving APRs and how the dollars would be allocated.
  - h. Development of comprehensive plan, including use of NCAA dollars that demonstrates plan for improvement. This shall include both short and long term goals.
  - i. Establishment of projected single-year targets that move teams from below the benchmark to above the benchmark.
  - j. Matching dollars put forward by institution to show building sustainability of program (e.g., Year One: institution commits 25 percent of NCAA dollars allocated, Year Two: institution commits 50 percent of dollars allocated, Year Three: institution commits 75 percent of dollars allocated).
1. The NCAA staff will add to the application each of the following:
    - a. Historical overview and assessment of APRs.

- b. Historical overview of implementation of improvement plans including significant and critical elements of plan.
2. Applications will be reviewed by the NCAA staff to ensure completion of application and that basic requirements have been met. As part of staff review, staff will conduct a teleconference with the institution. Staff will prepare information for review by a membership group made up of approximately five identified NCAA Division I Committee on Academic Performance and HBCU & Limited-Resource Institution Academic Advisory Group members. NCAA staff will provide support to this group which will be responsible for selecting the pilot schools.
3. Applications that are not complete will not be forwarded to the selection group.

**Factors Considered in Selection of Institutions.**

1. Demonstrated support and involvement of chancellor or president and AD in approving, oversight and implementation of the plan.
2. Involvement of head coaches of teams not meeting APR benchmarks.
3. Specific request for use of NCAA dollars and rationale demonstrating how such expenditures will meet the pilot program's objective.
4. Demonstration of sustainability beyond the pilot.
5. Review use of SSF dollars, if any, to date.
6. Demonstrated success in implementation of APR improvement plans to date.
7. School is not under major enforcement investigation or has a recent finding of lack of institutional control by the Committee on Infractions. Circumstances of finding of lack of institutional control and actions taken by institution will be considered.
8. Ability to match grant dollars during and beyond pilot program (inclusion of dollars allocated that were not previously allocated).
9. Interview with the institutional staff members responsible for oversight of the program.

### **Defining Limited Resource for Purposes of the Pilot.**

Bottom 10 percent based on current APP criteria. Football Bowl Subdivision institutions in bottom 10 percent will not be eligible for pilot program.

### **Components of Pilot Program.**

1. Dollars will be awarded for a one-year period and will be renewed based on demonstration of meeting established benchmarks after first year. Intent will be to provide institutions with dollars for two years; however, institution must demonstrate success during first year to continue to receive funds. Institution may receive a third year of funding if institution can demonstrate that a third year is warranted.
2. Grants will be awarded up to \$300,000 per institution, annually.
3. Examples of possible uses of dollars:
  - a. Summer bridge program.
  - b. Summer school.
  - c. Fifth year of aid.
  - d. Staffing.
  - e. Equipment.
  - f. Facilities.
4. Requirements of program:
  - a. Two campus visits by NCAA staff annually. Institutional staff members involved in visits include chancellor or president, AD, FAR, academic support personnel, individual responsible for APR, sampling of coaches, sampling of student-athletes. It is anticipated that one or two NCAA staff members would make campus visits.
  - b. Attendance at December SSF workshop.
  - c. Attend a meeting held at the NCAA Convention. This will be an opportunity for institutions to provide an overview of their written annual report and answer

questions as part of the grant renewal assessment. Additionally, it will include a roundtable discussion by participants of the program on initiatives that have worked, activities that have failed, and the inputs that created these results.

- d. Monthly conference calls with NCAA staff.
  - e. Produce midyear update on implementation.
  - f. Participate in available limited-resource educational opportunities.
  - g. Attendance at other conferences based on institutional needs [e.g., Regional Rules Seminars, National Association of Academic Advisors for Athletics (N4A), etc.].
  - h. Student-athlete involvement. Educational component for staff and coaches.
  - i. Annual report.
5. Mandatory financial reporting:
- a. Money is restricted and may only be used for explicit purposes as outlined in pilot program.
  - b. Institution will be required to submit quarterly financial statement.
  - c. Institution is subject to audit.
  - d. Annual financial report must be provided.
  - e. Plan for sustainability included.

**Budget.**

- 1. Staffing: TBD; approximately \$125,000 per year for three years = \$375,000.
- 2. Travel: Approximately \$20,000 per year for three years = \$60,000. Two NCAA staff per visit, two visits per school, estimated four schools in pilot each year, total of 16 trips.
- 3. Funds for institution: Approximately \$900,000 for three years (2012-13, 2013-14 and 2014-15). Note: all travel for institutional staff members to attend meetings and other components of program would be funded through school allotment.

**Timeline.**

April 2012	Forward to Committee on Academic Performance, Limited-Resource Advisory Group and NCAA Division I Board of Directors for review.
August 2012	NCAA Executive Committee review.
August 2012	Open submission of applications.
October - November 2012	Review of applications by staff and subgroup of the HBCU & Limited-Resource Institution Academic Advisory Group.
December 2012	Announcement of selected institutions..
January 2013	First year of funding provided (funding will be provided in January 2013, 2014 and 2015). <sup>1</sup>

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<sup>1</sup> At the 2013 NCAA Convention, selected institutions will participate in a kick-off meeting for the pilot program.

# ATTACHMENT B

## **The NCAA Division I Supplemental Support Fund Programming Initiative**

### **Objective.**

Enhance the NCAA Division I Supplemental Support Fund (SSF) with additional funding and additional opportunities to provide resources that will directly affect student-athletes. Currently, the SSF can only be used for professional development of staff and for major initiatives but cannot be used directly for student-athletes. This initiative would revise the SSF guidelines and provide more funding to allow institutions to continue professional development and programmatic initiatives as well as directly assisting student-athletes with academic needs.

### **Outcomes.**

The primary outcome of this initiative is the increased academic performance of the student-athletes that were assisted through the initiative. Additional desired outcomes may include increased NCAA Division I Academic Progress Rates, increased graduation rates and increased financial commitments from institutional administrators (e.g., chancellor/president, director of athletics) to help support programs the institution ran with the money from this initiative.

### **Components of the Initiative.**

This initiative would be administered through the current SSF program and institutions would apply for the additional dollars through that process. These funds would be administered under the following requirements:

- a. The current administrative policies of the SSF will be revised to include the opportunity for institutions to request dollars to be used in the following programs:
  1. Summer bridge programs;
  2. Summer school funding; and
  3. Exhausted-eligibility scholarships (student-athletes who are currently enrolled as full-time students, have exhausted the permissible four seasons of competition and have not yet graduated).
- b. Institutions using SSF dollars to fund these programs will be required to provide the following information as part of the application process:
  1. A description of which of the above-mentioned programs will be funded with the money;

2. The names of the student-athletes that will be given assistance through this program prior to using the funds;
  3. A description of the expected outcomes from the programs funded by this money;
  4. A description of how those outcomes will be measured by the institution; and
- c. Institutions using SSF dollars to fund these programs will be required to provide the following information when reporting on the use of the money:
1. Documented evidence that the money provided for these specific programs was used for that purpose;
  2. The academic performance data for the specific student-athletes that were provided assistance through this program;
  3. Retention data for the specific student-athletes that were provided assistance through this program; and
  4. If an institution is unable to provide evidence the money provided for these specific programs was used for that purpose the institution will not be permitted to apply for those funds for the next year.

**Budget.**

It is recommended that \$1 million be allocated for the administration of this programming initiative. These dollars would be in addition to the \$3 million that has already been allocated to the SSF from the White Case Settlement dollars. The amount would allow each institution to apply for and receive approximately \$33,000 over a two year period.

# SUPPLEMENT NO. 4



## Internal Audit Charter

### **Introduction:**

Internal Audit is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the NCAA. It assists the NCAA in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

### **Role:**

The Internal Audit function is established by NCAA Executive Management and the Audit Committee of the Executive Committee ('Audit Committee'). Internal Audit's responsibilities are defined by the Audit Management Team (Chief Executive Officer, Chief Operating Officer and Chief Financial Officer) and the Audit Committee as part of their oversight function.

### **Professional Standards:**

The Internal Audit staff shall govern themselves by adherence to The Institute of Internal Auditors' "Code of Ethics." The Institute's *"International Standards for the Professional Practice of Internal Auditing"* (*Standards*) shall constitute the operating procedures for the department. The Institute of Internal Auditors' "Practice Advisories" will be adhered to as applicable. In addition, Internal Audit will adhere to NCAA policies and procedures.

### **Authority:**

Authority is granted for full, free, and unrestricted access to any and all of NCAA records, physical properties, and personnel relevant to any function under review. All employees are required to assist Internal Audit in fulfilling their staff function. Internal Audit shall also have

free and unrestricted access to the Chairman of the Audit Committee. Documents and information given to Internal Audit during a review will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

### **Organization:**

The Associate Director of Internal Audit shall report functionally to the Audit Management Team and Audit Committee and administratively to the Chief Financial Officer.

### **Independence:**

All Internal Audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective perspective necessary in rendering opinions and reports.

Internal Audit shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.

### **Audit Scope and Responsibilities:**

The scope and responsibility of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. It includes:

- Developing an audit plan, based on a risk analysis, which includes consideration of the NCAA's goals and objectives and the concerns of NCAA Management and the Audit Committee.
- Providing audit coverage that consistently meets the needs and expectations of management and the Audit Committee.
- Keeping the Audit Management Team and Audit Committee informed concerning the status of completing the audit plan and the results of audit work including reporting any significant findings relating to fraud, abuses and internal control deficiencies.
- Provide reports communicating any identified observations/findings and recommendations and follow up to ensure management action plans are implemented.

- Performing consulting services including advisory activities, the nature and scope of which are agreed upon and which are intended to add value and improve the NCAA's governance, risk management, and control processes without assuming management responsibility. Examples include counsel, advice, facilitation, training, and committee service.
- Ensuring the audit team has the necessary skills and competencies for assurance and consultative reviews.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Ensuring all relevant risks are considered on reviews including, but not limited to, fraud risk, IT risk, financial risk and reputational risk.
- Performing contractually based assurance reviews of NCAA business relations, in accordance with the *IIA Practitioner Guide: Auditing External Business Relationships*, as dictated by risk assessment and audit planning process.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Reviewing specific operations at the request of the Audit Committee or management, as appropriate including NCAA owned subsidiaries.
- Monitoring and evaluating the effectiveness of the organization's risk management system.
- Reviewing the quality of performance of external auditors and the degree of coordination with internal audit.

### **Audit Planning:**

Annually, the Associate Director of Internal Audit shall submit to Audit Management Team and the Audit Committee an audit plan for the following fiscal year. The audit plan is to be developed based on a prioritization of the audit universe using a risk-based methodology. Any significant deviation from the formally approved work schedule shall be communicated to Audit Management Team and the Audit Committee through periodic activity reports.

### **Reporting:**

A written report will be prepared and issued by the Associate Director of Internal Audit following the conclusion of each audit and will be distributed as appropriate. The Audit Management Team will receive copy of each internal report.

The Associate Director of Internal Audit shall include in the audit report the auditee's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response shall be provided within thirty days of receipt of the draft audit report and are to include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.

Internal Auditing shall be responsible for appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until cleared by the Associate Director of Internal Audit.

A summarized version of audit results, including reporting of any significant findings, will be presented to the Audit Committee on an annual basis. An executive session will be available between the Audit Committee and the Associate Director of Internal Audit as deemed appropriate.

# SUPPLEMENT NO. 5

## MEMORANDUM

April 26, 2012



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](http://www.ncaa.org)

TO: Executive Committee Finance Committee.

FROM: Mark Emmert  
NCAA President.

SUBJECT: FY 2012-13 through FY 2014-15 Triennial Budget Requests.

The triennial budget process initiated this year focuses Association resources on long-term priorities. In accordance with our process, the Executive Committee Finance Committee at its December 2011 meeting established budget allocations for 2012-13, 2013-14 and 2014-15 (page 2). Staff has collected budget requests from all three Divisions, Association-wide committees and the national office for FY 2012-13 only. After my review of all budget requests, I am presenting budget recommendations for the Executive Committee Finance Committee's consideration. My recommendations are within the established allocations, and provide some flexibility over the term of the triennium. My recommendations were established using the following criteria:

1. Support the NCAA strategic plan and its three-to-five year goals.
2. Maintain the championship experience with emphasis on current championships, previous commitments, and inflationary travel expenses.
3. Support the current reform initiative of Transforming Intercollegiate Athletics and provide funds to support working group efforts.
4. Support reserves over the next three years in increases that match the television contract to Division I distributions.
5. Maintain national office services to the membership.

I ask your support of the proposed budget allocations for FY 2012-13.

ME:br

cc: Selected NCAA staff.

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N a t i o n a l   C o l l e g i a t e   A t h l e t i c   A s s o c i a t i o n

*An association of more than 1,200 members serving the student-athlete*  
Equal Opportunity/Affirmative Action Employer

**Fiscal Years 2012-13, 2013-14 and 2014-15  
REVENUE AND EXPENSE BUDGET**

	<b>2011-12 Approved Budget</b>	<b>2012-13 Projected Budget</b>	<b>2013-14 Projected Budget</b>	<b>2014-15 Projected Budget</b>
<b>REVENUE</b>				
<b>Projected Total Revenue</b>	<b><u>777,000,000</u></b>	<b><u>797,598,000</u></b>	<b><u>826,932,000</u></b>	<b><u>851,291,000</u></b>
<b>EXPENSE</b>				
Total Projected Division I Distribution	467,068,000	484,046,000	497,600,000	512,031,000
<i>Percentage increase in Total Distribution</i>	<i>3.3%</i>	<i>3.6%</i>	<i>2.8%</i>	<i>2.9%</i>
Division I Championships & Programs	71,817,000	76,317,000	78,607,000	80,965,000
<b>Total Projected Division I Distribution, Champs &amp; Programs</b>	<b><u>538,885,000</u></b>	<b><u>560,363,000</u></b>	<b><u>576,207,000</u></b>	<b><u>592,996,000</u></b>
Projected Division II Allocation Guarantee	33,955,000	34,855,000	36,137,000	37,201,000
Projected Division III Allocation Guarantee	24,709,000	25,364,000	26,296,000	27,071,000
Association-wide Expenses	150,882,000	155,790,000	160,464,000	166,050,000
Reserves Allocations and Contingencies	28,569,000	21,226,000	27,078,000	27,223,000
Presidents and Executive Committee New Initiatives			750,000	750,000
<b>Projected Total Expenses &amp; Reserves</b>	<b><u>777,000,000</u></b>	<b><u>797,598,000</u></b>	<b><u>826,932,000</u></b>	<b><u>851,291,000</u></b>

# SUPPLEMENT NO. 6

**NCAA Budget Requests  
FY 2012-13**

**Division I Association-wide**

**Inflationary Requests**

1	Division I Revenue Distribution (Note 1)	\$ 16,978,000
2	Championships Initiatives	3,900,000
3	Compensation Increases (3% merit increases, .50% equity adjustments)	2,175,000
4	Investigative Travel for Enforcement Services	120,000
5	Increased Convention Expenses	114,000
6	Other Miscellaneous	48,000
		<u>\$ 23,335,000</u>

**New Initiatives**

7	Transforming Intercollegiate Athletics	\$ 1,230,000
8	Reserve for Health and Safety Organizational Initiative	500,000
9	Membership and External Outreach	96,000
10	Other Miscellaneous	15,000
		<u>\$ 1,841,000</u>

**Reallocation Requests**

11	Strategic Positions and Reclassification	\$ 452,000
12	Other Miscellaneous	34,000
		<u>\$ 486,000</u>

**Use of President's Reserve**

13	Division I FCS Expansion and EQ Opportunities	\$ 1,200,000
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**Total Division I and Association Requests/President's Recommendation \$ 26,862,000**

**Division II | Funded from \$900,000 of Additional Allocation Funds**

**Inflationary Requests**

14	Championships Per Diem and Bracket Expansion	\$ 325,000
15	Enhancement Fund Distribution	304,400
16	Other Miscellaneous	9,000
		<u>\$ 638,400</u>

**New Initiatives**

17	New Position Related to Growth and Outreach	<u>\$ 95,000</u>
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**Reallocation Requests**

18	Championship Initiatives	<u>\$ 1,100,000</u>
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**Total Division II Requests/President's Recommendation \$ 1,833,400**

**NCAA Budget Requests  
FY 2012-13**

**Division III | Funded from \$655,000 of Additional Allocation Funds**

**Inflationary Requests**

19 Championships Per Diem and Other Initiatives	<u>\$ 1,167,220</u>
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**New Initiatives**

20 New Position Related to Growth and Outreach (2)	\$ 180,000
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21 Other Miscellaneous	100,000
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<u>\$ 280,000</u>
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**Reallocation Requests**

22 DIII NASPA Drug Education and Collaboration	\$ 325,000
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23 Other Miscellaneous	135,000
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<u>\$ 460,000</u>
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<b>Total Division III Requests/President's Recommendation</b>	<b><u>\$ 1,907,220</u></b>
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<b>Grand Total for all Requests</b>	<b><u>\$ 30,602,620</u></b>
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**Executive Summary of Funding Sources**

Inflationary	\$ 25,140,620
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New Initiatives	2,216,000
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Reallocation	2,046,000
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Use of President's Reserve	1,200,000
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<u><b>\$ 30,602,620</b></u>
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Note 1: Approximately \$6,500,000 of the Student Assistance and Academic Enhancement Fund allocated in the Division I revenue distribution is being funded from the reserves and contingencies in order to meet the obligations of the legal settlement in the White Case. The commitment identified in the legal settlement concludes in 2012-13.

**NCAA Budget Requests  
FY 2012-13**

<b>Line Number</b>	<b>Description of Request</b>	<b>Amount Recommended</b>
1	Revenue distribution total increase is 3.6% with an inflationary component for the basketball and broad based funds of 2.3% or \$8.47 million and a total increase in the student assistance and academic enhancement funds of 9.2% or \$8.32 million as a result of the white case settlement. Future increases in these funds will align with the increases in the Turner/ CBS agreement.	\$ 16,978,000
2	Division I - per diem increase of \$10 per day for approved travel party.	\$ 1,300,000
	Division I - championships travel increase (6%). Travel costs are up approximately 12 percent over FY 2010-11.	\$ 2,000,000
	Support for championships and alliances organization structure.	\$ 600,000
3	National compensation planning survey data was collected for the 2011-12 fiscal years from four sources, looking at categories of all organizations, nonprofit, education and north central/Midwest region. This data showed ranges from 2.9 – 3.0 % increases with the vast majority showing 3.0%. The total spend in compensation of \$2.175 million also includes a .50% for equity adjustments and position reclassifications, and 8% increase in health insurance.	\$ 2,175,000
4	Increased travel costs, additional staff and a focus on development of knowledge and new contacts.	\$ 120,000
5	Convention: Contractual increases of \$10,000 as a result of sourcing convention operations, \$30,000 in security and other operational costs, and \$74,000 increases in travel, local transportation, room rates, along with food and beverages costs in Dallas compared to Indianapolis.	\$ 114,000
6	NCAA Equity & Inclusion Forum. Expanded Forum to broaden topics to minority/lgbt/disability topics	\$ 22,000
	Increase for the NCAA Clip Files. Based on a market review, we have determined that a quality news briefing document will require us to work with a specialized vendor.	\$ 26,000
7	Initial Eligibility/Two-year transfer Education Plan for Public Service Announcements (PSAs), parents, high schools and junior high school administrations, ADs, coaches and administrators.	\$ 30,000
	Additional resources allocated to support Committee on Infractions in order to expedite case load.	\$ 435,000
	Reserve for Health and Safety Organizational Initiatives. A base budget reserve has been set up for future changes to the health and safety program. Such changes will include new positions that can provide expertise in medical issues related to the well-being of student athletes along with educational and outreach materials for the membership.	\$ 500,000
	New Positions Related to Academic Reform (three assistant directors). Academic initiatives - Committee on Academic Performance (CAP) waivers, hearings; process/work with member institutions on Academic Progress Rate (APR) improvement plans, process Academic Performance Program (APP) waivers.	\$ 265,000

**NCAA Budget Requests  
FY 2012-13**

<b>Line Number</b>	<b>Description of Request</b>	<b>Amount Recommended</b>
<b>8</b>	Reserve for Transforming Intercollegiate Athletics. This base budget reserve for Transforming Intercollegiate Athletics will allow for positions to be created as needs are identified relating to Institutional Performance Program, new eligibility requirements, related increase in waivers and committee on infractions changes, and education rule changes.	\$ 500,000
<b>9</b>	Fund contests for fan engagement on Facebook.	\$ 10,000
	Opportunity for the President to facilitate discussion with constituents and student-athlete functions.	\$ 50,000
	To fund original video content to develop student-athlete interest stories on NCAA, conference and institution platforms. Request reflects 24 stories/year at \$1,500 each.	\$ 36,000
<b>10</b>	Official background checks for basketball, football, men's ice hockey, women's basketball and baseball.	\$ 15,000
<b>11</b>	This reallocation is the conversion of a contract employee to a full-time employee for the purpose of savings \$58,000 that can then be applied to hire more software development hours.	\$ 100,000
	New position-Director of Customer Service - Consolidation of NCAA Customer Service Center - 2/3 of dollars needed for position	\$ 90,000
	Promotions and reclassifications in various areas that include digital communications, academic certification, Division I governance, life skills and leadership and educational programs.	\$ 107,000
	New Administrative Assistant position providing primary support for seven accounting staff in Administrative Services. Reallocated savings from finance and operations.	\$ 55,000
	Convert Microsoft SharePoint Administrator position from contractor to a full-time employee position which will result in an annual savings of \$75,000 that can then be converted to software development hours.	\$ 100,000
<b>12</b>	Reallocate savings from printing NCAA convention Daily Bulletin to Digital Communications to offset convention operational expenses.	\$ 12,000
	Reallocate to NCAA Clip File to reflect market pulse of quality news briefing services.	\$ 22,000
<b>13</b>	Division I - FCS expansion to 24 teams or additional four teams in FCS football championships. Funding also provides proportionate number of opportunities in women's championships.	\$ 1,200,000
<b>14</b>	Division II - per diem increase of \$5 per travel party - Men's & Women's Championships.	\$ 300,000
	Allocation for track/field bracket expansion in 2011-12.	\$ 25,000
<b>15</b>	Increase Division II Enhancement Fund Revenue Distribution.	\$ 304,400
<b>16</b>	Increase drug testing budget line for incremental increases in contract with National Center for Drug Free Sport.	\$ 9,000

**NCAA Budget Requests  
FY 2012-13**

<b>Line Number</b>	<b>Description of Request</b>	<b>Amount Recommended</b>
17	New Associate Director for DII Governance to manage growth and education outreach.	\$ 95,000
18	Division II - continue to fund tennis regional round travel and per diem expenses.	\$ 250,000
	Division II - Championships and Regular Season Television Programming: With the new Turner digital platform providing additional exposure to Division II championships, the current funding is being reallocated to televise additional and selected rounds of other NCAA Division II championships.	\$ 850,000
19	Division III - field hockey (joint championship - one time cost).	\$ 5,500
	Division III - men's & women's golf - increase in per diem days.	\$ 7,600
	Division III - men's & women's swimming and diving - four regional meets per year & independent diving judges.	\$ 12,120
	Division III - wrestling - increase from 170 to 180 Student-Athletes advancing to championship.	\$ 16,000
	Division III - increase in travel party (various sports).	\$ 448,000
	Division III - per diem increase of \$5 per day for all championships.	\$ 352,000
	Division III - increase per diem days paid for individual team championships.	\$ 251,000
	Division III - men's basketball, joint championship with Division I and II for 75th anniversary.	\$ 75,000
20	New positions to manage Division III membership growth and support educational outreach efforts. One position will be placed in Academic and Membership Affairs and the other position in Governance.	\$ 180,000
21	DIII-CoSIDA Partnership. New funds to support enhanced professional development opportunities for campus/conference Sports Information Directors.	\$ 50,000
	Diversity and Inclusion   DIII-MOAA and DIII-North Coast Conference Partnerships - New funds to support the delivery of programming to enhance the number and professional development of ethnic minority athletics administrators in DIII.	\$ 50,000
22	DIII-NASPA Drug Education and Collaboration - Funding from DIII annual revenue allocation/reserve, added to existing \$275,000 allocated to Drug and Alcohol Education and Drug Education and Testing Pilot, with all funding reallocated toward the DIII-NASPA Initiative.	\$ 325,000
23	Annual allocation to support activation of the DIII--Special Olympics partnership.	\$ 50,000
	Contractual support to provide enhanced services to DIII's 444 active members, 12 exploratory members and 43 voting conferences.	\$ 75,000
	FAR Institute - add \$10,000 to the current \$75,000 currently allocated. Actual expenses approximately \$80k last two years.	\$ 10,000
<b>Grand Total</b>		<b>\$ 30,602,620</b>

# SUPPLEMENT NO. 7

## PARTICIPATION OF INTERSEX ATHLETES IN WOMEN'S SPORTS

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### INTRODUCTION

As the recent controversy surrounding Caster Semenya's eligibility for women's track makes painfully clear, intersex athletes are vulnerable to exclusion from women's sports, as well as ridicule and invasion of privacy. The Women's Sports Foundation believes that women with intersex conditions have the same rights to participation in athletics as all women. It is also our position that eligibility standards for women's sports that require an athlete to demonstrate particular hormone levels promote the policing of gender by medical means, leading to the unwarranted invasions of privacy not only for intersex athletes, but any athlete whose femininity is questioned. Moreover, any policy that singles out women's sports for eligibility based on hormone levels is discriminatory and sends the harmful message that female athletes are uniquely vulnerable and in need of special protection from the normal, natural variation in size, skill, and athletic ability that exists among members of either sex.

### I. WHAT IS INTERSEX?

"Intersex," also known as Disorders of Sex Development, is an umbrella term to describe a variety of congenital conditions in which individuals are born with sex characteristics that are not typical for either the male or female sex category. Intersex conditions may affect sex chromosomes and cause them to appear in configurations other than the typical XX (female) or XY (male). They may affect how sex-related hormones function in the body, such as when an individual with XY chromosomes cannot absorb or utilize testosterone. Intersex conditions may also affect internal or external sex characteristics, such as cases when an individual's genitalia at birth defies easy classification as male or female.

Due to this wide variety of intersex conditions, it is neither possible nor appropriate to make generalizations about how individuals with an intersex condition experience their conditions, the physical effects of an intersex condition, or how and

whether such a condition affects their gender identities. For someone whose intersex condition is invisible, either because it could only be detected by medical testing or because of surgical intervention at birth, they might have a gender identity that is unaffected by their condition. For example, several female athletes in history, Semenya being the latest example, learned of their intersex condition when they were forced to undergo gender testing as a condition for participating in the Olympics or other world-class athletic events. Prior to that time, they never questioned their female-ness, because in every physical and psychological way that mattered, those athletes were female.

## **II. DO INTERSEX ATHLETES HAVE A COMPETITIVE ADVANTAGE WHEN THEY COMPETE IN WOMEN'S SPORTS?**

Intersex conditions, as we've said, are varied and defy generalization. Many intersex conditions are benign when it comes to an individual's physical characteristics that are relevant to sport. Other intersex conditions may cause female athletes to have atypical quantities or responses to testosterone and therefore may generate concern about competitive advantage. Sometimes, however, these concerns are misplaced or overblown. For example, an individual with Androgen Insensitivity Syndrome (AIS) has XY chromosomes, and as a result, a body that produces testosterone. But AIS also limits—either completely or partially—the body's ability to respond to testosterone. This inability to respond to testosterone means that individuals with complete AIS will have female bodies (except for the presence of undescended testes) because it is testosterone produced in utero that, when received by the body's unimpaired receptors, will trigger the development of male genitalia as well as other male secondary characteristics. An athlete with complete or near complete AIS will have little or no usable testosterone in her body, and therefore should not raise any concern about the competitive advantage over other women. In fact, since women's bodies typically do use testosterone (though in quantities generally less than men), women with AIS would actually have less musculature and other physical characteristics that are perceived to relate to athletic ability than do women without AIS.

Other intersex conditions, however, may result in female-bodied, female-identified individuals that have more usable testosterone in their bodies than women without the condition. Congenital Adrenal Hyperplasia, for example, is a disorder of the adrenal gland that impairs the production of two hormones, cortisol and aldosterone. Without these hormones, the body overproduces another hormone, testosterone. A female (XX) individual with this disorder may have physical features affected

by testosterone, such as a lower voice and extra hair, though she may choose to take cortisol in order to help the body regulate the production of testosterone.

Given the effects on testosterone on the body's ability to produce and maintain muscles, it is reasonable to suppose that a woman who produces more testosterone might be better equipped than women with lower testosterone for some athletic tasks. Yet testosterone levels and responsiveness vary widely among women, as well as among men, for reasons that include but are not limited to intersex conditions. Moreover, testosterone levels are just one aspect of the human body that operates to produce variation and diversity among women. Women come naturally in all shapes and sizes, tall, short, large, small, strong, or weak. Some of this variation might be caused by women's diverse levels of testosterone, while some of it is caused by other influences, both genetic and environmental.

It is therefore inappropriate to single out testosterone levels that may be elevated due to an intersex condition as a source of competitive advantage that should be measured and controlled. Competitive advantages are everywhere in sport. An athlete might have a competitive advantage because tallness is a family trait, or because she was raised at high altitude, or because she had access to elite coaching from an early age. A truly equal playing field, one that controls for all variations that produces competitive advantages, would never work in sport, because it would produce no winners and no losers. Instead, sport embraces the variety of competitive advantages, insisting only that those advantages derive from natural circumstances, such as birth traits and training, and excluding only those competitive advantages that are gained unnaturally from performance-enhancing substances.

Finally, intersex women should be able to participate in women's sports because they are affected by the same social barriers to athletic success that all women face, including fewer opportunities, less encouragement, scrutiny of their bodies, and questioning of their femininity. Moreover, they may be subject to additional scrutiny and stigma related to their intersex conditions, making particularly relevant the social and psychological benefits of sports, including developing self-esteem, positive body image, and bonds with loyal teammates.

### III. SHOULD INTERSEX ATHLETES BE PERMITTED TO COMPETE?

Intersex athletes should have the same access to athletic opportunities as other athletes. An athlete who is female-bodied, or who identifies as female, ought to be allowed to participate in women's athletics as long as she is not "cheating" such as by taking steroids (including testosterone not naturally produced by the body) or otherwise trying to defraud teammates and competitors.

While it is medically possible to test female athletes to make sure their testosterone levels are "average" or "typical" for women, such a policy would be problematic and ill-advised, especially in athletics at the youth, high school, college, and other amateur non-elite levels where barriers to participation ought to receive more scrutiny than competitive equity. First, such a standard singles out testosterone as the only naturally occurring variation from which an athlete can be excluded from women's sports. We don't exclude women who are "as tall as men" or "as strong as men," etc. Second, for testing to be consistently applied, sport organizations would have to require every athlete to submit to testing as a condition for participation, increasing the cost and effort of running or trying out for sports programs. An alternative, testing only those athletes who "appear" masculine, would have the effect of singling out women who do not conform to stereotypes about femininity, stereotypes that are already challenging for female athletes to negotiate in light of the historic and cultural association of athleticism with masculinity. Finally, a policy that singles out women's sports for a hormone-based eligibility standard evokes a double standard, since widely-varying levels of testosterone among male athletes do not raise fairness concerns but are instead considered part of the normal variations among the field of competitors.

### IV. IN WHAT OTHER WAYS SHOULD INTERSEX ATHLETES BE ACCOMMODATED?

When it comes to physical facilities, including bathrooms, locker rooms, and showers, schools and other sports organizations should support intersex athletes seeking to use whichever facilities they are most comfortable with, and which are most consistent with their gender identity. Some intersex athletes may request separate facilities due to privacy concerns. In such cases, the school or sports organization should make every reasonable effort to accommodate such a request. If an organization accommodates other athletes' bona fide requests for privacy (such as those due to religious reasons) but does not accommodate a student's request based on an intersex condition, that organization may be liable for discrimination.

## V. CONCLUSION

Sport is divided into two categories, male and female, that are distinctly different and easily understood. Nature, however, is not. Policies determining athletes' eligibility for men's and women's sports should not pretend that every athlete's sex fits neatly into one of two boxes or that sexual variation is the sole determinant of competitive advantage. Instead, we must acknowledge the variability between and among the sexes, deescalate overblown concerns about sex and competitive equity in sport, and include as many athletes as possible in the sex category most meaningful to them.

### Acknowledgments

The Women's Sports Foundation thanks Erin Buzuvis, Professor of Law, Western New England University School of Law and Nancy Hogshead-Makar, Senior Director of Advocacy, Women's Sports Foundation and Professor of Law, Florida Coastal School of Law.

# SUPPLEMENT NO. 8

## **THE BRIGHTON DECLARATION ON WOMEN AND SPORT**

### **Women Sport and the Challenge of Change**

The first international conference on women and sport, which brought together policy and decision makers in sport at both national and international level, took place in Brighton, UK from 5-8 May 1994. It was organised by the British Sports Council and supported by the International Olympic Committee. The conference specifically addressed the issue of how to accelerate the process of change that would redress the imbalances women face in their participation and involvement in sport.

The 280 delegates from 82 countries representing governmental and non-governmental organisations, national Olympic committees, international and national sport federations and educational and research institutions, endorsed the following Declaration. The Declaration provides the principles that should guide action intended to increase the involvement of women in sport at all levels and in all functions and roles.

In addition, the conference agreed to establish and develop an international women and sport strategy which encompasses all continents. This should be endorsed and supported by governmental and non-governmental organisations involved in sport development. Such an international strategic approach will enable model programmes and successful developments to be shared among nations and sporting federations, so accelerating the change towards a more equitable sporting culture worldwide.

### **BACKGROUND**

Sport is a cultural activity which, practiced fairly and equitably, enriches society and friendship between nations. Sport is an activity which offers the individual the opportunity of self-knowledge, self-expression and fulfilment; personal achievement, skill acquisition and demonstration of ability; social interaction, enjoyment, good health and well-being. Sport promotes involvement, integration and responsibility in society and contributes to the development of the community.

Sport and sporting activities are an integral aspect of the culture of every nation. However, while women and girls account for more than half of the world's population and although the percentage of their participation in sport varies between countries, in every case it is less than that of men and boys.

Despite growing participation of women in sport in recent years and increased opportunities for women to participate in domestic and international arenas, increased representation of women in decision making and leadership roles within sport has not followed. Women are significantly under-represented in management, coaching and officiating, particularly at the higher levels. Without women leaders, decision makers and role models within sport, equal opportunities for women and girls will not be achieved.

Women's experiences, values and attitudes can enrich, enhance and develop sport. Similarly, participation in sport can enrich, enhance and develop women's lives.

## **A. SCOPE AND AIMS OF THE DECLARATION**

### **1. SCOPE**

This Declaration is addressed to all those governments, public authorities, organisations, businesses, educational and research establishments, women's organisations and individuals who are responsible for, or who directly or indirectly influence, the conduct, development or promotion of sport or who are in any way involved in the employment, education, management, training, development or care of women in sport. This Declaration is meant to complement all sporting, local, national and international charters, laws, codes, rules and regulations relating to women or sport.

### **2. AIMS**

The overriding aim is to develop a sporting culture that enables and values the full involvement of women in every aspect of sport.

It is the interests of equality, development and peace that a commitment be made by governmental, non-governmental organisations and all those institutions involved in sport to apply the Principles set out in this Declaration by developing appropriate policies, structures and mechanisms which:

- ensure that all women and girls have opportunity to participate in sport in a safe and supportive environment which preserves the rights, dignity and respect of the individual;
- increase the involvement of women in sport at all levels and in all functions and roles;
- ensure that the knowledge, experiences and values of women contribute to the development of sport;
- promote the recognition of women's involvement in sport as a contribution to public life, community development and in building a healthy nation;
- promote the recognition by women of the intrinsic value of sport and its contribution to personal development and healthy lifestyle.

## **B. THE PRINCIPLES**

### **1. EQUITY AND EQUALITY IN SOCIETY AND SPORT**

a. Every effort should be made by state and government machineries to ensure that institutions and organisations responsible for sport comply with the equality provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the UN Convention on the Elimination of All Forms of Discrimination against Women.

b. Equal opportunity to participate and be involved in sport whether for the purpose of leisure and recreation, health promotion or high performance, is the right of every woman, regardless of race, colour, language, religion, creed, sexual orientation, age, marital status, disability, political belief or affiliation, national or social origin.

c. Resources, power and responsibility should be allocated fairly and without discrimination on the basis of sex, but such allocation should redress any inequitable balance in the benefits available to women and men.

## **2. FACILITIES**

Women's participation in sport is influenced by the extent variety and accessibility of facilities. The planning, design and management of these should appropriately and equitably meet the particular needs of women in the community, with special attention given to the need for child care provision and safety.

## **3. SCHOOL AND JUNIOR SPORT**

Research demonstrates that girls and boys approach sport from markedly different perspectives. Those responsible for sport, education, recreation and physical education of young people should ensure that an equitable range of opportunities and learning experience, which accommodate the values, attitudes and aspirations of girls, is incorporated in programmes to develop physical fitness and basic sport skills of young people.

## **4. DEVELOPING PARTICIPATION**

Women's participation in sport is influenced by the range of activities available. Those responsible for delivering sporting opportunities and programmes should provide and promote activities which meet women's needs and aspirations.

## **5. HIGH PERFORMANCE SPORT**

- a. Governments and sports organisations should provide equal opportunities to women to reach their sports performance potential by ensuring that all activities and programmes relating to performance improvements take account of the specific needs of female athletes.
- b. Those supporting elite and/or professional athletes should ensure that competition opportunities, rewards, incentives, recognition, sponsorship, promotion and other forms of support are provided fairly and equitably to both women and men.

## **6. LEADERSHIP IN SPORT**

Women are under-represented in the leadership and decision making of all sport and sport-related organisations. Those responsible for these areas should develop policies and programmes and design structures which increase the number of women coaches, advisers, decision makers, officials, administrators and sports personnel at all levels with special attention given to recruitment, development and retention.

## **7. EDUCATION, TRAINING AND DEVELOPMENT**

Those responsible for the education, training and development of coaches and other sports personnel should ensure that education processes and experiences address issues relating to gender equity and the needs of female athletes, equitably reflect women's role in sport and take account of women's leadership experiences, values and attitudes.

## **8. SPORT INFORMATION AND RESEARCH**

Those responsible for research and providing information on sport should develop policies and programmes to increase knowledge and understanding about women and sport and ensure that research norms and standards are based on research on women and men.

## **9. RESOURCES**

Those responsible for the allocation of resources should ensure that support is available for sportswomen, women`s programmes and special measures to advance this Declaration of Principles.

## **10. DOMESTIC AND INTERNATIONAL COOPERATION**

Government and non-government organisations should incorporate the promotion of issues of gender equity and the sharing of examples of good practice in women and sport policies and programmes in their associations with other organisations, within both domestic and international arenas.

Brighton Declaration Signatures

SUPPLEMENT NO. 9  
WILL BE AVAILABLE  
AT THE MEETING.