

**REPORT OF THE
NCAA DIVISION III STRATEGIC PLANNING AND FINANCE COMMITTEE**

1. ACTION ITEMS.

a. Championship Budget Request.

- (1) Recommendation. Approve the use of inflationary monies totaling \$422,214 to fund championship budget requests for 2009-10.
- (2) Effective date. September 1, 2009.
- (3) Rationale. 2009-10 championship budget requests include \$120,214 to increase championships per diem by \$2 in all sports; \$241,000 to fund an increase in the number of non-student-athletes in the championships travel party and enhance the student-athlete experience; \$31,000 to increase squad size for men's cross country and \$30,000 to increase squad size for women's cross country from 7 to 8, which completes AQ enhancements for individual/team sports.

Note that this championships budget request does not include any new base budget initiatives; it requests only inflationary funds to maintain the current championships program or fund previously approved policies.

- (4) Estimated Financial Impact. See rationale.
- (5) Student-Athlete Impact. This budget request maintains the current quality of the Division III championships experience.

b. Non-championship Budget Requests

- (1) Recommendation. Approve the use of \$100,000 for implementation of the Division III Identity Initiative in 2009-10.
- (2) Effective date. September 1, 2009.
- (3) Rationale. The Strategic Planning and Finance Committee approved funding for this significant project, which originated as part of the division's long term growth management strategy and is further described conceptually in White Paper No. 1. 2009-10 funds will be reallocated from the Division's Drug Education and Testing Pilot account, which will not be used for testing in 2009-10, as the 2007-08 pilot results are analyzed.
- (4) Estimated Financial Impact. \$100,000 shall be reallocated from the Drug Education and Testing Pilot to the Division III identity initiative during 2009-10 only.

- (5) Student-Athlete Impact. The identity initiative will enhance the Division III student-athlete experience from recruiting through the time period after sport.

c. Division III Drug Education.

- (1) Recommendation. Continue to fund enhanced drug-education efforts during the 2009-10 "gap year" between the end of the Drug Education and Testing Pilot and any potential action based on pilot findings.
- (2) Effective date. September 1, 2009.
- (3) Rationale. With the pilot activities ending at the close of the 2008-09 academic year, data and analyses of the experiences of the participating institutions will be presented in a report to Division III in September 2009. The Committee on Competitive Safeguards and Medical Aspects of Sports recommended the continuation of funding drug-education activities during the review of the report to emphasize and provide support for the educational aspect of drug-use deterrence, and will sustain the momentum of the pilot activities. All Division III institutions will be provided with the drug-education checklist in preparation for 2009-10, which, when completed and submitted at the end of that year, would return to the institution an enhancement check.
- (4) Estimated Financial Impact. None.
- (5) Student-Athlete Impact. This initiative will continue the enhanced drug-use deterrence education provided to student-athletes during the Drug Education and Testing Pilot.

d. Division III Strategic Initiatives Conference Grant Program.

- (1) Recommendation. Approve the 2009-10 allocations [Attachment A] and proposed timeline [Attachment B] for the Strategic Initiatives Conference Grant Program.
- (2) Effective Date. September 1, 2009.
- (3) Rationale. The committee reviewed the conference allocations totaling \$1.8 million and extended the deadline for completion of Requisition Form signatures. A two week extension was provided to ease the burden of seeking signatures during a busy time for campus and conference administrators.
- (4) Estimated Financial Impact. This recommendation is consistent with the previously approved 2009-10 budget.
- (5) Student-Athlete Impact. None.

e. Approved Tier One Events for Senior Woman Administrators (SWA).

- (1) Recommendation. Add the NCAA Gender Equity Forum and the NCAA Women's Leadership Symposium to the list of preapproved events for SWA professional development in Tier One of the Strategic Initiatives Conference Grant Program.
- (2) Effective Date. September 1, 2009.
- (3) Rationale. Historically, the SWA enhancement funds in Tier One have been targeted to support the NACWAA Convention, but conferences have been permitted to support SWA attendance at other events (e.g., NCAA Convention, NCAA Regional Rules Seminars). Noting the scheduling challenges experienced by SWAs and the strong curriculum of both the Gender Equity Forum and Women's Leadership Symposium, the committee determined that it would be beneficial to use grant funds to support attendance at these events.

2. INFORMATIONAL ITEMS.

- a. Formal Addition of Student-Athlete on Committee.** The committee reviewed the recent action taken by the Administrative Committee to amend Bylaw 21.9.6.1.1 (Strategic Planning and Finance Committee – Composition) to modify the planning and finance committee's composition by increasing the number of members by one and adding the requirement that one member shall be a student-athlete representative. This addition will allow for greater student input and participation with the committee. Similar to other Division III committees that have a student-athlete representative, this appointment would be fulfilled by a member of the Division III Student-Athlete Advisory Committee.
- b. Conference Office Personnel Access to NCAA Health Insurance Pool.** The committee received an update on its request that staff consider the feasibility for the NCAA national office to include conference office personnel in its health insurance pool, thereby reducing conference office health insurance premiums. NCAA finance and insurance staff indicated that such an arrangement is considered a Multiple Employment Welfare Arrangement, which would force the NCAA to act as an insurance company. After significant study, the Association determined several years ago it is not in a position to serve in such a capacity.
- c. 2008-09 Budget-to-Actual.** [Attachment C] This schedule represents Division III's second quarter financial standing. The results include \$21,019,800 in revenue and \$8,821,377 in expenses, which reflects a majority of the fall championship expenses.

- d. **Six-Year Revenue and Expense Projections.** [Attachment D] This schedule includes the actual results and budget projections from 2006 through 2012. No new initiatives are included for 2009-12. As it stands, the reserve balance will be approximately \$12.7 million in 2012. However, any future new initiatives added will further reduce this amount. The projections reflect the new reserve policy starting in 2006-07 which mandates a minimum reserve balance of 10 percent of the Division III revenue allocation.
- e. **Division III Strategic Initiatives Grant Program.** In addition to action items already noted, the committee reviewed the following issues:
- (1) Consideration of Auditing Process. The committee acknowledged that Division II has begun performing annual random audits of its grant program to ensure compliance with the program's guiding principles and requirements. The committee noted the thorough nature of the current Division III review process and determined it is not necessary to implement a formal audit program at this time, although current grant program policies allow for such an action as necessary.
 - (2) Consideration of Grant Funds for Standard Operating Expenses. The committee reviewed proposals from member conferences to allow Tier Three grant funds to be used for operational or personnel expenses based on current economic conditions. While sympathetic to current budgeting challenges, the committee noted that it is inappropriate for enhancement funds to be used for standard operating expenses and that conferences have the responsibility to adjust dues structure or regular scope of operations to manage standard operating expenses.
 - (3) Review of Tier Two. The committee reviewed and endorsed the current structure of Tier Two and agreed to work with the Division III Commissioners Association to identify the most meaningful topical areas for future years, as well as explore ways to reduce any bureaucracy associated with tracking on funding requirements. The governance staff will solicit comments from the Division III Commissioners during their annual meeting in June in Indianapolis.
- f. **Strategic Plan Update – Assessment of Diversity Initiatives.** The committee reviewed the ethnic diversity of NCAA student-athletes as compared to the student-body at member institutions noting minority representation has grown modestly on NCAA campuses among non-athletes from 22.6% in 2000-01 to 25.3% in 2006-07. Over that same time, minority representation in the student-athlete population has grown minimally from 22.1% in 2000-01 to 23.6% in 2006-07. Minorities have been overrepresented in the student-athlete population at Division I campuses throughout this time period by a rate of 1.3 to 2.2%. At Division III, in contrast, minorities have been underrepresented in the student-athlete population by a rate of -2.8 to -4.4%. Division II institutions have maintained a difference between -0.8 to 0.3%.

The committee noted that the Association is engaged in a broad review of its programs related to diversity and inclusion, while Division III engages in a parallel review. Ultimately, the division and the Association will work to ensure that monetary and human resources are being used in a way that best advances the NCAA's Division III's strategic goals and objectives for diversity and inclusion.

- g. Update on Division III White Papers Initiative.** The committee reviewed the white paper recommendations and related priority level and estimated timelines. The committee recommended that actions and strategy resulting from the white papers be incorporated into the Division III Strategic Plan.

Committee Chair: Jim Harris, Widener University
Staff Liaison: Beth Barnett, Finance
Dan Dutcher, Division III Governance
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