



A G E N D A

The National Collegiate Athletic Association

Division III Strategic-Planning and Finance Committee

USA Toll-Free: 866-434-5269

Access Code: 5128535

Telephone Conference
Room 3e2

November 8, 2010
11 a.m. Eastern time

1. Welcome and review roster. [Supplement No. 1]
2. Division III Strategic Positioning Platform. [Supplement No. 2]
3. Budget.
 - a. 2009-10 Budget – Final. [Supplement No. 3]
 - b. 2010-11 – Budget-to-Actual. [Supplement No. 4]
 - c. Six year projection. [Supplement No. 5]
 - d. Review current reserve policy. [Supplement No. 6]
 - e. Review current overhead breakdown. [Supplement No. 7]
4. Academic Reporting Pilot. [Supplement Nos. 8a and 8b]
5. FAR Institute.
 - a. Agenda. [Supplement No. 9a]
 - b. Roster. [Supplement No. 9b]
 - c. Pre-institute survey of conference commissioners. [Supplement No. 9c]
 - d. Pre-institute survey of participants. [Supplement No. 9d]
 - e. Institute evaluations. [Supplement No. 9e]
6. Student-Athlete Well-Being Update.
 - a. Drug Education and Testing Pilot. [Supplement No. 10]
 - b. Sports Wagering [Supplement No. 11]
 - c. Transgender Student-Athlete Issues [Supplement No. 12]

7. Report of the Student-Athlete Affairs Advisory Committee. [Supplement No. 13]
8. NCAA National Office Restructuring Update. [Supplement No. 14]
9. Division III Financial Dashboards. [Supplement No. 15]
10. Conduct Foul Update. [Supplement No. 16]
11. Other business.
12. Adjournment.

REPORT OF THE
NCAA DIVISION III STRATEGIC PLANNING AND FINANCE COMMITTEE

INFORMATIONAL ITEMS.

1. **Division III Identity Initiative Update.** The committee received an update on recent identity activation initiatives, including the strong response by member institutions to submitting stories for the public website describing Division III, the distribution of a tool kit to aid key membership constituents in telling the Division III story, and the continued use of the Division III purchasing website, which makes banners, print ads and other similar resources available to campuses and conferences. The committee also discussed the plans to conduct a Convention session describing the best practices of those institutions and conferences that have begun local activation of this initiative.
2. **2009-10 Budget – Final.** [Attachment A] The final 2009-10 results include \$24,220,734 in revenue and \$20,931,545 in expenses, resulting in a net surplus of \$3,289,189.
3. **2010-11 Budget-to-Actual.** [Attachment B] Budget-to-actual as of October 27, 2010, includes \$23,914,000 in revenue and \$3,946,920 in expenses.
4. **Eight-Year Revenue and Expense Projections.** [Attachment C] This schedule includes the results and projections from 2008-09 to 2015-16. With the inclusion of budget requests for 2010-11, and the updated revenue projects from the latest NCAA broadcasting agreement, the projected reserve balance at the end of 2015-16 is \$14,975,327. Years beyond 2010-11 do not include any new initiatives in the budget figures, so any approved future initiatives will reduce the reserve balance. It is also possible that the Association will benefit from enhanced revenue streams, which could increase the reserve balance.
5. **NCAA Overhead and Division III Reserve Policies.** The committee received an update on each of the national office overhead and Division III reserve policies. The overhead schedule for existing Division III programs was shared with the committee and includes a ten percent charge for Division III funds spent on continuing programs, and a 25 percent charge on new programs. These funds come out of the Division III budget to cover the administrative overhead associated with running Division III programs through the national office. Regarding the reserve policy, where the Division is currently required to hold a mandated amount of 10 percent of the annual revenue allocation, there has been some examination of the Association-wide reserve policy, which may result in Divisions II and III being encouraged to hold a significantly larger percent of the annual

revenue allocation in reserve. The committee was reminded that both the division and the Association carry catastrophic financial recovery insurance. The Division III policy provides \$10 million in coverage- a figure which could be credited towards future minimum reserve requirements.

6. **Academic Reporting Pilot.** The committee received a preliminary update on the division's academic reporting pilot. This is a first attempt at gathering national data to compare the academic performance of Division III students and student-athletes. Pilot results will be shared during the Division III Business Session at the 2011 Convention. Future analysis will look at trends across sport, gender, and other demographic categories. If the two year pilot yields useful data and effectively manages the administrative burden on member institutions, the division may seek to implement required reporting in the future. The purpose of the reporting is to help institutions assess adherence with the expectation that student-athletes perform at least as well as their student-body peers, and to provide additional data to support the Division III Strategic Positioning Platform.
7. **FAR Fellows Institute.** The committee received an update on the first year of a two year pilot Institute for Division III Faculty Athletics Representatives. The committee reviewed the program's agenda, inaugural class, pre-institute surveys conducted to provide a baseline for engagement and effectiveness metrics, and Institute participant evaluations. The committee will be presented with a formal evaluation plan at its spring meeting and holds the ultimate charge of recommending further funding or cancellation after the two-year pilot. Early response to the Institute has been very positive, and the staff will provide an update the Division III Commissioners Association at its January meeting, ideally continuing the momentum begun at the Institute, and to encourage less active conferences to participate in the program next year.
8. **Student-Athlete Well-Being Update.**
 - a. Drug Education and Testing Pilot. The committee reviewed the governance structure reaction to the options identified for the division in the areas of drug education and testing. The committee also reviewed the plan for the Convention Issues Forum, where this topic will be the main focus of discussion for the full membership.

- b. Sports Wagering. The committee reviewed a list of resources or activities identified to discourage sports wagering on Division III campuses. The list was developed as a result of the committee, Management and Presidents Councils determining that sports wagering should receive emphasis as an important subject on which conferences should allocate their tier two conference grant funds. It was also noted that the 2011 NCAA Convention will include an education session on this topic, the agenda to which includes a review of the sports wagering survey results, educational resources, and the perspectives on sports wagering behaviors from both student-athletes and a representative with a background in organized crime.
 - c. Transgender Student-Athlete Issues. The committee received an update on the status of the current NCAA policy on transgender issues (which directs institutions to consult an individual's driver's license for gender classification) and the recent presentation on transgender issues received by the Presidents Council. The committee noted that the Presidents Council has recommended that colleagues in Divisions I and II consider a similar educational session, and that while Division III has taken the lead on this issue within the governance structure, it remains an Association-wide issues centered on student-athlete well-being. Division III will receive updated educational materials and a policy development timeline from the Committee on Women's Athletics and Committee on Competitive Safeguards and Medical Aspects of Sport in April 2011, at which the Presidents Council plans to forward recommendations to the NCAA Executive Committee for Association-wide action.
9. **Report of the Student-Athlete Affairs Advisory Committee.** The committee accepted the report, noting that Division III has three representatives serving on this advisory panel. Lisa Melendy, Interim Athletics Director at Williams College represents the Strategic Planning and Finance Committee to help inform Division III funding decisions and align program content with the Division III strategic plan.
10. **NCAA National Office Restructuring Update.** The committee received an update on the national office organizational structural changes made by President Emmert, including the reasons for establishing a more vertical reporting structure and reorganizing various departments within the office that resulted in an approximate six percent decrease in staff. It was noted that the national office may see additional reorganization in the near term as the operational review is still ongoing.

11. **Division III Financial Dashboards.** The committee received a report on selected findings from the 2010 Division III Revenues and Expenses Report and acknowledged the value of institutions having fact-based financial data with which to compare institutions and understand relative expenses. The committee noted that the Presidents Council directed the staff to continue to develop this information for further review in January 2011 with the President's Advisory Group, toward the possible establishment of dashboard indicators or a similar mechanism.
12. **Conduct Foul Program.** The committee reviewed the spring 2010 results of the Conduct Foul Program and noted the continued success of the program to decrease conduct fouls in those conferences that participate in real time reporting. The committee noted that some conferences regularly opt out of participation, and directed the governance staff and commissioner representatives on the committee to continue to encourage full participation.

Committee Chair: Jim Bultman, Hope College

Staff Liaison: Beth Barnett, Finance

Dan Dutcher, Division III Governance

Eric Hartung, Research

Leah Kareti, Division III Governance

Amy Huchthausen, Academic and Membership Affairs

Andrea Worlock, Finance

<u>The National Collegiate Athletic Association</u>				
<u>2009-10 Division III Budget-to-Actual (FINAL)</u>				
	2008-09 Year-to-date Actual	2009-10 Year-to-date Budget Actual Difference		
Revenue:				
Division III 3.18% Revenue Allocation	21,791,000	22,578,000	24,220,734	(1,642,734)
Total Revenue	21,791,000	22,578,000	24,220,734	(1,642,734)
Expenses:				
Championship Expenses				
Men's Championships				
Baseball	1,424,978	1,716,500	1,451,017	265,483
Basketball	652,496	787,500	735,473	52,027
Cross Country	377,112	507,500	419,662	87,838
Football	1,314,081	1,326,500	1,296,360	30,140
Golf	416,876	431,500	400,673	30,827
Ice Hockey	243,319	312,000	246,042	65,958
Lacrosse	283,915	311,480	325,801	(14,321)
Soccer	869,504	971,500	861,497	110,003
Swimming & Diving	391,019	430,500	408,265	22,235
Tennis	420,347	497,500	464,179	33,321
Indoor Track	357,227	378,500	360,752	17,748
Outdoor Track	501,172	542,500	518,071	24,429
Wrestling	215,356	269,500	227,423	42,077
Championship Webcasting	15,000	15,000	15,000	-
Total Men's Championships	7,482,402	8,497,980	7,730,215	767,765
Women's Championships				
Basketball	751,409	982,500	817,341	165,159
Cross Country	379,526	527,500	418,053	109,447
Field Hockey	324,437	372,000	341,845	30,155
Golf	255,973	279,500	241,560	37,940
Ice Hockey	139,613	227,500	286,524	(59,024)
Lacrosse	457,266	543,000	452,249	90,751
Rowing	207,910	441,000	372,747	68,253
Soccer	835,655	962,500	963,440	(940)
Softball	1,050,033	1,214,500	1,278,421	(63,921)
Swimming & Diving	377,814	447,500	386,893	60,607
Tennis	448,281	565,000	495,459	69,541
Indoor Track	337,145	386,500	372,621	13,879
Outdoor Track	491,516	543,500	529,067	14,433
Volleyball	827,353	957,500	778,644	178,856
Championship Webcasting	15,000	15,000	15,000	-
Total Women's Championships	6,898,931	8,465,000	7,749,865	715,135
Championships Expense	14,381,333	16,962,980	15,480,080	1,482,900
Overhead	247,400	247,400	247,400	-
Total Championships Expense	14,628,733	17,210,380	15,727,480	1,482,900

Strategic Initiative Conference Grants	1,824,630	1,852,250	1,845,850	6,400
Other Division III Strategic Initiatives				
NAD3AA Partnership	38,302	51,000	61,698	(10,698)
SWA Enhancement Grant Program (NACWAA)	47,976	48,000	17,049	30,951
Division-wide Sportsmanship Initiative	11,000	15,000	11,000	4,000
Strategic Alliance Matching Grant	598,152	670,000	472,673	197,327
Women & Minority Intern Program	858,930	820,000	814,623	5,377
Regional Seminar Planning	15,000	15,000	15,000	-
Financial Aid Education/Enforcement	-	10,000	-	10,000
S-A Leadership Conference	671,728	680,000	676,208	3,792
Drug and Alcohol Education	75,000	125,000	14,000	111,000
Drug Education and Testing Pilot	250,000	250,000	-	250,000
Conference Commissioners Meeting	7,770	15,000	7,157	7,843
Town Hall Meetings	7,401	-	-	-
Division III Identity Program	59,913	100,000	129,357	(29,357)
ArbiterSports	-	150,000	52,950	97,050
Haiti/UNICEF Division III Contribution	-	-	100,000	(100,000)
Division III Financial Recovery Insurance	200,000	200,000	200,000	-
Overhead Allocation	786,500	786,500	786,500	-
Total Program Expenses	5,452,302	5,787,750	5,204,065	583,685
Total Division III Expenses	20,081,035	22,998,130	20,931,545	2,066,585
Excess Revenue over Expense	1,709,965	(420,130)	3,289,189	
Add: Previous Year's Unallocated (Unused) Funds	12,462,791	14,172,756	14,172,756	
Total Division III Funds Available for Reserve/Future Use	14,172,756	13,752,626	17,461,945	
Less: Mandated Reserve (Note 1)	2,179,100	2,257,800	2,422,073	
Total Division III Funds Available for Contingency/Future Use	11,993,656	11,494,826	15,039,871	
Less: Encumbered for future year programs (Note 2)	-	970,250	970,250	
Total Division III Projected Unallocated Funds	11,993,656	10,524,576	14,069,621	
Division III Reserve Cumulative Balance (Actual)	14,172,756		17,461,945	
Division III Reserve Cumulative Balance (Projected)		13,752,626		
<p><u>Note 1:</u> In any two-year budget cycles, the reserve shall not fall below 10% of the Division III revenue allocation.</p> <p><u>Note 2:</u> Amount of encumbered for future year programs is based on proposed budget initiatives/increases for the next biennial budget cycle.</p>				

Budget to Actual Expense Summary
(Explanation of Budget Overages)

Men's Lacrosse

Per diem expenses increased \$30,000 over prior year due to an increased number of per diem days used throughout the tournament along with the annual per diem rate increase.

Women's Ice Hockey

Charter usage increased in 2010, causing a jump in the total airfare expense of \$130,000 and resulting in a budget overage in transportation expenses.

Women's Softball

Airfare expense increased \$40,000 over prior year causing the transportation expenses to be over budget. The average cost of airfare increased \$24 per traveler.

NAD3AA Partnership

Attendance at summer forum increased by 20 attendees over prior year, causing increase in number of grants awarded as well as increase in food and beverage costs.

Division III Identity Program

Because 2009-10 is the first year for the Identity program, any excess expenses are being covered by the division's reserve balance. The budget is scheduled to increase for the next fiscal year.

Haiti/UNICEF Contribution

All three divisions contributed \$100,000 to UNICEF for relief to Haiti after the earthquakes. This amount is funded through the reserve balance.

The National Collegiate Athletic Association2010-11 Division III Budget-to-Actual (as of December 5, 2010)

	2009-10	2010-11		
	Year-to-date Actual	Budget	Year-to-date Actual	Difference
Revenue:				
Division III 3.18% Revenue Allocation	24,220,734	23,914,000	23,914,000	-
Total Revenue	24,220,734	23,914,000	23,914,000	-
Expenses:				
Championship Expenses				
Men's Championships				
Baseball	1,451,017	1,692,740	15,199	1,677,541
Basketball	735,473	805,050	1,477	803,573
Cross Country	419,662	499,060	73,770	425,290
Football	1,296,360	1,366,150	146,585	1,219,565
Golf	400,673	498,890	8,612	490,278
Ice Hockey	246,042	314,180	363	313,817
Lacrosse	325,801	365,720	1,240	364,480
Soccer	861,497	1,001,740	284,704	717,036
Swimming & Diving	408,265	522,680	912	521,768
Tennis	464,179	498,360	262	498,098
Indoor Track	360,752	385,820	6,884	378,936
Outdoor Track	518,071	647,970	1,973	645,997
Wrestling	227,423	287,780	808	286,972
Championship Webcasting	15,000	15,000	-	15,000
Total Men's Championships	7,730,215	8,901,140	542,790	8,358,350
Women's Championships				
Basketball	817,341	928,860	1,224	927,636
Cross Country	418,053	507,820	63,041	444,779
Field Hockey	341,845	381,850	174,557	207,293
Golf	241,560	275,010	7,907	267,103
Ice Hockey	286,524	229,830	219	229,611
Lacrosse	452,249	591,180	655	590,525
Rowing	372,747	417,570	271	417,299
Soccer	963,440	976,050	349,919	626,131
Softball	1,278,421	1,292,700	(814)	1,293,514
Swimming & Diving	386,893	530,220	774	529,446
Tennis	495,459	577,320	2,946	574,374
Indoor Track	372,621	400,360	3,347	397,013
Outdoor Track	529,067	660,160	1,856	658,304
Volleyball	778,644	969,720	318,292	651,428
Championship Webcasting	15,000	15,000	-	15,000
Total Women's Championships	7,749,865	8,753,650	924,195	7,829,455
Championships Expense	15,480,080	17,654,790	1,466,985	16,187,805
Overhead	247,400	289,100	72,275	216,825
Total Championships Expense	15,727,480	17,943,890	1,539,260	16,404,630

Strategic Initiative Conference Grants	1,845,850	2,234,300	2,224,254	10,046
Other Division III Strategic Initiatives				
NAD3AA Partnership	61,698	51,000	-	51,000
SWA Enhancement Grant Program (NACWAA)	17,049	20,000	-	20,000
Division-wide Sportsmanship Initiative	11,000	15,000	3,000	12,000
Strategic Alliance Matching Grant	472,673	670,000	596,673	73,327
Women & Minority Intern Program	814,623	820,000	649,291	170,709
Regional Seminar Planning	15,000	15,000	-	15,000
S-A Leadership Conference	676,208	400,000	167,287	232,713
Campus-based Student-Athlete Leadership Programming	-	80,000	-	80,000
Drug and Alcohol Education	14,000	-	-	-
Drug Education and Testing Pilot	-	125,000	-	125,000
FAR Institute	-	75,000	67,549	7,451
Conference Commissioners Meeting	7,157	15,000	-	15,000
Academic Reporting Stipend	-	50,000	26,800	23,200
Division III Identity Program	129,357	600,500	83,681	516,819
Officiating	52,950	150,000	149,984	16
Haiti/UNICEF Division III Contribution	100,000	-	-	-
Division III Financial Recovery Insurance	200,000	200,000	100,000	100,000
Other Division III Initiatives		90,000	194	89,806
Overhead Allocation	786,500	856,000	214,000	642,000
Total Program Expenses	5,204,065	6,466,800	4,282,714	2,184,086
Total Division III Expenses	20,931,545	24,410,690	5,821,974	18,588,716
Excess Revenue over Expense	3,289,189	(496,690)	18,092,026	
Add: Previous Year's Unallocated (Unused) Funds	14,172,756	17,461,945	17,461,945	
Total Division III Funds Available for Reserve/Future Use	17,461,945	16,965,255	35,553,971	
Less: Mandated Reserve (Note 1)	2,422,073	2,391,400	2,391,400	
Total Division III Funds Available for Contingency/Future Use	15,039,871	14,573,855	33,162,571	
Less: Encumbered for future year programs (Note 2)	970,250	-	-	
Total Division III Projected Unallocated Funds	14,069,621	14,573,855	33,162,571	
Division III Reserve Cumulative Balance (Actual)	17,461,945		35,553,971	
Division III Reserve Cumulative Balance (Projected)		16,965,255		
<p><u>Note 1:</u> In any two-year budget cycles, the reserve shall not fall below 10% of the Division III revenue allocation.</p> <p><u>Note 2:</u> Amount of encumbered for future year programs is based on proposed budget initiatives/increases for the next biennial budget cycle.</p>				

<u>The National Collegiate Athletic Association</u>								
<u>Division III Budget Projections</u>								
	2008-2009	2009-2010	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue:								
Division III 3.18% Revenue Allocation	21,791,000	24,220,734	23,914,000	24,358,000	24,915,000	25,462,000	26,173,000	26,886,000
Projected Revenue Increase	6.8%	11.2%	-1.3%	1.9%	2.3%	2.2%	2.8%	2.7%
Expenses:								
Championships Base Budget (Note 1)	14,628,733	15,727,480	17,943,890	18,296,886	19,052,804	19,428,080	19,810,861	20,201,298
Championships Initiatives	-	-	-	388,000	-	-	-	-
Division III Insurance	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Programs Base Budget	5,252,302	5,004,065	5,682,800	6,266,800	6,311,800	6,311,800	6,357,800	6,357,800
Programs Initiatives	-	-	584,000	-	-	-	-	-
Total Division III Expenses	<u>20,081,035</u>	<u>20,931,545</u>	<u>24,410,690</u>	<u>25,151,686</u>	<u>25,564,604</u>	<u>25,939,880</u>	<u>26,368,661</u>	<u>26,759,098</u>
Net Change in Fund Balance	1,709,965	3,289,189	(496,690)	(793,686)	(649,604)	(477,880)	(195,661)	126,902
Projected Expense Increase	1.0%	4.2%	16.6%	3.0%	1.6%	1.5%	1.7%	1.5%
Beginning Fund Balance (Projected Reserve and Unallocated Funds)	\$ 12,462,792	\$ 14,172,757	\$ 17,461,946	\$ 16,965,256	\$ 16,171,570	\$ 15,521,967	\$ 15,044,087	\$ 14,848,426
Less:								
Net Change in Fund Balance	1,709,965	3,289,189	(496,690)	(793,686)	(649,604)	(477,880)	(195,661)	126,902
Ending Fund Balance (Projected Reserve and Unallocated Funds)	<u>\$ 14,172,757</u>	<u>\$ 17,461,946</u>	<u>\$ 16,965,256</u>	<u>\$ 16,171,570</u>	<u>\$ 15,521,967</u>	<u>\$ 15,044,087</u>	<u>\$ 14,848,426</u>	<u>\$ 14,975,327</u>
Mandated Reserve (Note 3)	\$2,179,100	\$2,422,073	\$2,391,400	\$2,435,800	\$2,491,500	\$2,546,200	\$2,617,300	\$2,688,600
Including the following contingencies:								
Championship Contingency (Note 4)	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funds Available Less Mandated Reserve (Note 5)	\$27,033,530		\$28,309,626		\$25,528,354		\$24,517,853	
<p><u>Note 1:</u> Beginning with 2011-12, the championships budget increases each year based on 2% inflation. The conference grant program within the non-championship initiative budget would increase by 2% every two years.</p> <p><u>Note 2:</u> The 2008-09 and 2009-10 amounts reflect actual revenue and expenses.</p> <p><u>Note 3:</u> Beginning with 2006-07, the reserve shall not fall below 10% of the Division III revenue allocation.</p> <p><u>Note 4:</u> The Championships Contingency fund was created to support year-end championships budget shortfalls. It is not included in the championships base budget or the total Division III budget, but is a portion of the overall Mandated Reserve that has been allocated to championships. Only the unused portions of this contingency will roll over into the next year.</p> <p><u>Note 5:</u> The Funds Available balance is figured on the ending fund balance for both years in the two-year budget cycle less the mandated reserve for those same two years.</p>								

Future Budget Initiatives (new funding only since inflationary amounts have already been factored in):

2010-11 \$22,000 - Strategic Initiative Conference Grant Ethnic Minority Professional	2011-12 \$388,000 - Division III Men's Volleyball (includes overhead)
\$22,000 - Strategic Initiative Conference Grant SID Professional	
\$258,000 - Strategic Initiative Conference Grant - Tier III Additional Flex	
\$188,000 - Division III Identity additional dollars (includes 25% overhead)	
\$94,000 - FAR Institute (includes 25% overhead)	