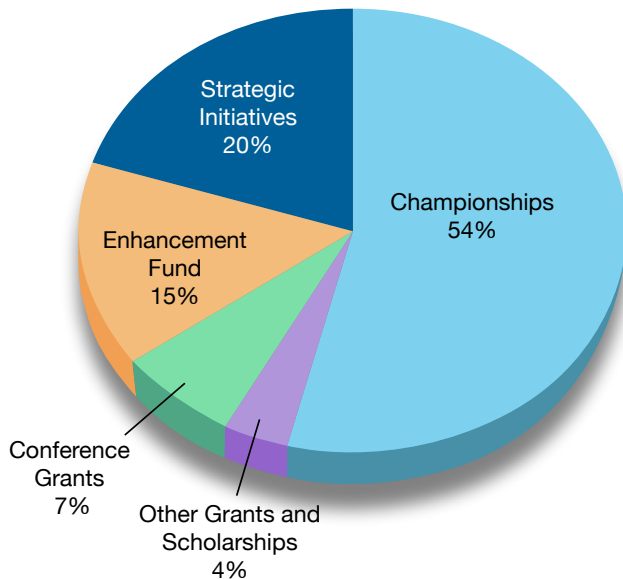


Division II Budget Overview

How presidential leadership has benefitted DII financially over time



As legislated in the NCAA Constitution, Division II receives 4.37 percent of the Association's general operating revenue. In fiscal year 2016-17, Division II's share of the pie was approximately \$42.7 million. That allocation was divided as follows:

54% - Championships (Operating expenses, as well as travel and per diem, for 25 national championships in which more than 16,000 student-athletes participated.)

15% - Enhancement Fund (Created in the late 1980s as a financial incentive for schools to maintain Division II membership affiliation. The allocation formula for the enhancement fund is 75 percent to member conferences based on the number of sports offered, and 25 percent divided equally among active and eligible Division II member institutions.)

7% - Conference Grants (Each Division II conference is allotted \$90,000 as a base amount. A \$12,000 premium is paid for a sixth member, with \$4,000 allotted for each additional member.)

4% - Other Grants and Scholarships (These funds support academic achievement, diversity and inclusion, community engagement, and professional development.)

20% - Strategic Initiatives (These include items such as drug-testing costs, brand enhancement, marketing, coverage of DII regular-season and championship events, and grants to affiliate organizations.)

Presidents' Positive Impact

Since formally adopting the 2015-21 strategic plan in April 2015, the Division II Presidents Council and the Division II Planning and Finance Committee have worked in tandem to manage the division's financial resources in ways that benefit Division II member institutions and conferences.

- **New Calculation for Projected Revenue:** The Presidents Council projects annual revenue based on the prior year's actual revenue plus whatever the division will be allocated from NCAA media rights agreements.
- **New Long-Range Budget Philosophy:** Annual expenses previously paid via surplus dollars are now placed into the base budget.
- **Presidential Priorities:** Beginning in 2018, an additional \$2.6 million will be allocated to the base budget for new initiatives or to enhance existing programs per the following:
 - \$1.5 million to championships
 - \$1.1 million to support new or existing initiatives in health and safety, diversity and inclusion, and student-athlete academic success
- **Allocation of Savings:** A new standardized model to fund championships travel in all three divisions produced a \$1.4 million savings for DII. As a result:
 - The Presidents Council established a \$1.4 million line item in the base budget to fund unforeseen championships travel costs.
 - Remaining dollars will reimburse schools for local ground transportation for both team and individual sport championships, an expense previously paid via surplus dollars and only in team sports (which means the \$1.5 million to championships in the Presidential Priorities no longer needs to include ground transportation, as it previously did).
 - The new model will be evaluated throughout the 2018-21 triennium, after which the division likely will allocate dollars for championships travel (including local ground transportation) in the base championships budget.

Additional Enhancements

- **Foundation for the Future Initiative:** \$5.7 million allocated in April 2015 to fund programs that support the strategic plan.
- **Per diem increases** to \$105 in 2018-19 and \$115 in 2021-22, and a 2 percent inflationary increase for championships travel beyond the additional \$2.6 million allocation to the base budget.
- **Reallocation of Division II Membership Fund** to support Presidential Priorities. (The fund was established in 2008 to attract new members and retain current members but discontinued in 2016 because DII membership had stabilized. The \$100,000 line item for 2016-17 was added to the \$1 million devoted to health and safety, diversity and inclusion, and student-athlete academic success in the Presidential Priorities.)
- **One-time allocation of \$2.5 million** from the NCAA liquidating its quasi-endowment fund.