

**REPORT OF THE
NCAA EXECUTIVE COMMITTEE
AUGUST 7, 2013**

KEY ITEMS.

None.

ACTION ITEMS.

None.

INFORMATIONAL ITEMS.

1. Welcome and announcements. President Simon convened the meeting at 3:25 p.m. and welcomed incoming members David Leebron, president of Rice University; Joseph Savoie, president of the University of Louisiana, Lafayette; Sharon Herzberger, president of Wittier College; and Terry Rupert, director of athletics at Wilmington College (Ohio). Simon also noted the departure of outgoing members Judy Genshaft, William Harvey and William Meehan, with thanks for their service to the Association.

2. Approval of meeting reports. The reports of the January 18, February 7 and February 22 meetings were approved as distributed.

3. Discussion with student-athlete advisory committee leadership. The leadership of the national Student-Athlete Advisory Committees (SAAC) provided updates to the committee on issues and initiatives within each division.
 - a. Division I. Maddie Salamone noted that Division I SAAC had the opportunity to meet in conjunction with the Division III SAAC during its July meeting. Both groups benefited from the cross-divisional interaction. Additionally, Salamone noted, that with recent conference realignments, the committee will increase its membership by one, going from 31 members to 32. Finally, the committee has increased its communication efforts with a focus on social media using its newsletter, facebook page and twitter feed to get information out about SAAC initiatives.

 - b. Division II. Allie Kolezynski updated the Committee on several Division II initiatives, including an annual fact summit held in conjunction with the Division II Management Council in July, as well as the alliance with the Make-A-Wish Foundation. Kolezynski noted that, over the 10-year period in which Division II has had

a relationship with this organization, the student-athletes have raised more than \$2.8 million. She also noted that SAAC has begun its legislative discussions for the upcoming year and specifically noted support for the proposed legislation to reduce the penalty for first-time positives for street drugs.

- c. Division III. Travis Misner provided an update from the Division III SAAC. He said that Division III too had discussed the proposed penalty reduction for first-time positives for street drugs. Also, he provided an update on Division III Special Olympics initiatives, noting that at the 2013 NCAA Convention SAAC hosted a tennis activity for Special Olympics athletes and will offer a similar program at the 2014 Convention. Since September 2011, more than 147 institutions and 18 conferences have reported Special Olympics projects involving more than 15,000 student-athletes, and 19,000 Special Olympic athletes. Additionally, although fundraising is not a primary goal, the Division III student-athletes have raised more than \$114,000.

4. NCAA Executive Committee Finance and Audit Committee report.

- a. Official name change of finance committee and frequency of meetings. During its December 2012 meeting, it was agreed to include the word “audit” in the name of the Finance Committee, which better defines the committee as a whole based on the nature of its work. The new official name is now the NCAA Executive Committee Finance and Audit Committee. Additionally, a minor change was made to the audit charter under the section for meetings. The frequency of meetings has been revised from semiannually to meeting at least three times a year.
- b. Third quarter fiscal year 2012-13 budget-to-actual. The Finance and Audit Committee reviewed the third quarter budget to actual reports and noted that the Association is on track to meet its budget projections.
- (1) Revenues. Total revenues are 100 percent of the planned revenues at the end of the third quarter. This is consistent with the prior year. With strong financial results for winter and spring championships, the total revenues should exceed planned revenues by two to four percent.
- (2) Expenses. Total expenses are 57 percent of the budget, which is consistent with the prior year. Championships expenses are up approximately four percent compared to prior year, primarily driven by increased travel costs. The final Division I distributions of \$262 million will occur in the fourth quarter with a supplemental distribution of \$42 million.
- c. FY 2012-13 and FY 2013-14 Revenue and Expense Budget Adjustments. The Executive Committee Finance and Audit Committee recommended approval of \$29.2

million dollars in budget adjustments to the 2012-13 budget, which will carry forward to future years. The majority of the increase includes:

- (1) Adding the Eligibility Center to the NCAA budget. The Eligibility Center legally was consolidated into the NCAA effective September 1, 2012. Total expenditures for the Eligibility Center are close to \$11 million, offset in total by revenues.
- (2) Championship programming adjustment to reflect changes in processes that have moved expenses and revenues into the NCAA budget. Examples are secondary market ticket sales and host revenues and expenses. Total changes to the championships budget are approximately \$17 million. This also is offset by increased revenues.

It was VOTED

“To approve the budget adjustments as proposed by the Finance and Audit Committee”

- d. FY 2013-14 budget requests and recommendations. The Executive Committee Finance and Audit Committee held a conference call in June and reviewed the budget requests for the next fiscal year. Highlights of the budget requests include:
 - (1) \$13.5 million increase in the Division I distribution. This is an increase of three percent over prior year. However in total compared to prior year, this is a decrease of \$3.4 million due to the end of the requirements stipulated in the White Case.
 - (2) Championships Division I programming. Championships Division I programming is increasing by three percent, or \$2.3 million, per approval of the Executive Committee during the triennium budget approval.
 - (3) Salaries, equity adjustment and benefit costs. Specifically, these items include a three percent increase in salaries, a half percent for equity adjustments and an eight percent increase in benefit costs. National compensation survey data for 2012-13 support the three percent increase. Total spending for the salary and benefit guideline is \$2 million.
 - (4) Reserve and contingency line. A \$5.8 million increase in the reserve and contingency line, which reflects the end of the obligation from the legal settlement of the White Case. In the prior year, approximately \$6 million of the Student Assistance and Academic Enhancement Fund allocated in the Division I revenue distribution was funded from reserves and contingencies.

- (5) Operational expenses. A total of \$239,000 represents increases in operational expenses in academic and membership affairs for higher costs associated with regional rules, in Committee on Infractions due to structural changes and in research due to new work related to the Institutional Performance Program.
- (6) Current initiatives under consideration. A total of \$842,000 is in base budget funds that have been set aside for initiatives that are under consideration, such as the regulatory and governance reviews and analysis of current scholarship programs. During the triennium process in 2011, the Executive Committee approved an Association-wide increase of \$5.4 million, and these dollars represent the unspent portion of this amount.
- (7) Division II. Division II's revenue allocation guarantee is increasing by approximately \$1.3 million. The largest proportion of the budget allocation include championships per diem increase of \$300,000, accommodation of membership growth, enhanced education and accountability initiatives of \$404,600 and funding for an additional SAAC in-person meeting.
- (8) Division III. Division III's revenue allocation guarantee is increasing by \$932,000. The budget allocation includes a \$17,600 increase in the allocation to conferences, and funding for additional SAAC in-person meeting. Additionally, both Divisions II and III will be sharing a new administrative assistant position.

It was VOTED

“To approve the budget recommendations as proposed by the Finance and Audit Committee

5. International membership pilot program. The Committee reviewed and endorsed a request from Division II to approve a provision within the international membership pilot program to annually review the eligibility of international member institutions to host NCAA postseason competition in their respective countries. Additionally, in instances where an international institution is not eligible to host NCAA postseason competition, that institution would be provided the opportunity to host in the United States. The Committee noted that challenges exist with regard to the issuance of international visas, which could impact the ability of student-athletes to be able to equally compete in NCAA postseason competition outside the United States. The Committee also noted that this provision would expire with the pilot program in 2018.

6. For-profit institutions. The Committee approved the creation of a special committee/subcommittee to study the appropriate and necessary form of NCAA membership or affiliation that could be available to institutions with for-profit tax status.

7. Legal report. The Committee received a report on current litigation and ongoing legal matters.

8. 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) Initial-eligibility standards. Actions of interest during its May 2 meeting included the Board's adoption of legislation to revise the initial-eligibility standards as follows:
 - (a) To revise the initial-eligibility index for qualifiers scheduled to go into effect in August 2013, to maintain the current test score-to-grade-point-average (GPA) sliding scale index (beginning with the 2.300 GPA)
 - (b) To specify that the initial-eligibility core-course grade-point average will be calculated using only the 16 required core courses GPA, effective August 1, 2016, for any student-athlete initially enrolling in a collegiate institution on or after August 1, 2016.
 - (2) Voting ratios and subdivision placement. Adopted a resolution to address the confusion regarding voting ratios and subdivision placement in Division I. The Board noted that these issues should be considered not later than its April 2014 meeting and may be addressed either through the completion of the governance structure evaluation or through substantial agreement among conferences with necessary legislation to address these matters.
 - (3) August 8 meeting. The Board will spend significant time discussing the governance structure review, as well as changes it would like to make to its processes and culture. One component of that change is to ensure the Board's agenda is membership-driven and that the Board meeting format encourages substantial discussion on significant issues that impact the Division I membership. During the next year, Division I will be engaging in a comprehensive governance review process that will be transparent and collaborative and will invite the participation of all Division I stakeholders.

- b. Division II Presidents Council. The Committee received an update on the actions of the Division II Presidents Council that included the following:
- The Presidents Council will review the following Association-wide legislative items during its August 8 meeting.
 - (a) Rugby. To limit rugby's total playing schedule with outside competition during the institution's playing season to 16 dates of competition (15 a side and/or seven a side), as well as permitting an institution to count two contests per year against collegiate club teams toward meeting minimum contest requirements and that either 15 a side or seven a side competition may be used toward meeting minimum contest requirements.
 - (b) Women's Triathlon. To add women's triathlon as an emerging sport for women and establish legislation related to amateurism, recruiting, financial aid, playing and practice seasons and membership.
 - (c) Banned drugs – street drugs. To specify that a student-athlete who tests positive for a street drug be withheld from the next 50 percent of the season of competition in all sports, and that the student-athlete shall remain ineligible until the prescribed penalty is fulfilled, the student-athlete retests negative and eligibility is restored by the Division II Student-Athlete Reinstatement Committee.
 - (d) Health and safety package. To consider the following proposals relative to health and safety:
 - To specify that an active member institution shall submit data detailing student-athlete catastrophic fatalities, near fatalities and catastrophic injuries to the NCAA on an annual basis;
 - To specify that an active member institution shall designate a physician to serve as team physician for each of its intercollegiate teams; and
 - To specify that each strength and conditioning coach is required to maintain strength and conditioning coach certification through a nationally recognized certification program. However, it should be noted that the Division II Management Council is requesting that the Presidents Council not sponsor this proposal as written and asked that the NCAA Committee on Competitive Safeguards and Medical Aspects

of Sports review the proposal and address its concerns with the current application of this legislation.

- c. Division III Presidents Council. The Committee received an update on the actions of the Division III Presidents Council. These included:
 - (1) A preview of the strategic planning and budget roundtable discussions scheduled to occur during the Division III Presidents Advisory Group session immediately following the Executive Committee meeting. The advisory group will discuss how budget realities have affected the ability of Division III institutions to sponsor athletics programs. Additionally, the group will discuss how Division III can improve recruiting, reviewing recommendations from the Division III Recruiting Working Group.
 - (2) During the August 8 Presidents Council meeting, the Council will review a recommendation to sponsor the sport safety package for the 2014 Convention. Most significant discussion centers on the designation of the team physician and the scope of duties.

9. NCAA Executive Committee Administrative Subcommittee and external review reports.
 - a. Administrative Subcommittee. The Compensation Committee reported actions taken at its August 7 meeting, including a modification to the Executive Compensation Charter to indicate that the past chair of the Executive Committee will serve as a member of the Compensation Committee in a nonvoting role for one year. Additionally, the executive compensation policy was revised to reflect that compensation levels paid by similarly situated organizations in the “national market” for functionally comparable positions will be considered as part of the supporting market data.

It was VOTED

“To approve the report of the Compensation Committee as presented.”
 - b. External review reports. The Committee received an update on the external regulatory review process and engaged in a strategic planning exercise with external consultant Jean Frankel.

10. Executive session. The committee concluded its meeting in executive session to discuss various administrative matters.

Committee Chair: Lou Anna Simon, Michigan State University.

Staff Liaisons: Donald Remy, Law, Policy and Governance

Delise O'Meally, Law, Policy and Governance

Attendees	Absentees
<p>Gene Block, University of California, Los Angeles</p> <p>Bob Boerichter, Mid-America Intercollegiate Athletics Association</p> <p>Rita Cheng, Southern Illinois University at Carbondale</p> <p>Michael Drake, University of California, Irvine</p> <p>Mark Emmert, NCAA President</p> <p>Harris Pastides, University of South Carolina</p> <p>Philip Hanlon, Dartmouth College</p> <p>Patrick Harker, University of Delaware</p> <p>Thomas Haas, Grand Valley State University</p> <p>Nathan Hatch, Wake Forest University</p> <p>Sharon Herzeberger, Whittier College</p> <p>David Hopkins, Wright State University</p> <p>David Leebron, Rice University</p> <p>William Meehan, Jacksonville State University</p> <p>Noreen Morris, Northeast Conference</p> <p>J. Patrick O'Brien, West Texas A&M University</p> <p>Jack Ohle, Gustavus Adolphus College</p> <p>Terry Rupert, Wilmington College, Ohio</p> <p>E. Joseph Savoie, University of Louisiana at Lafayette</p> <p>Kirk Schultz, Kansas State University</p> <p>Lou Anna Simon, Michigan State University</p>	<p>Judy Genshaft, University of South Florida</p> <p>William Harvey, Hampton University</p>

Other Participants

Scott Bearby, managing director of legal affairs

David Berst, vice president of Division I

Daniel Dutcher, vice president of Division III

Jim Isch, chief operating officer

Jean Frankel, consultant

Brian Hendrickson, director of strategic communications

John Hitt, University of Central Florida

Cari Klecka, director of executive affairs

Kathleen McNeely, vice president of administration and chief financial officer

Terri Steeb-Gronau, vice president of Division II governance

Bob Williams, vice president of communications