

**REPORT OF THE  
NCAA EXECUTIVE COMMITTEE  
August 6, 2014**

**KEY ITEMS.**

None.

**ACTION ITEMS.**

None.

**INFORMATIONAL ITEMS.**

1. Welcome and announcements. President Simon convened the meeting at 3:13 p.m. and welcomed everyone. She noted the departure of Executive Committee staff liaison Delise O’Meally and thanked her for her service to the Association.
2. Approval of meeting reports. The report of the April 24 meeting was approved as distributed.
3. NCAA President’s report. President Emmert provided a report on the following issues:
  - a. Sexual violence prevention. The Committee discussed and unanimously approved the following Resolution regarding sexual violence prevention.

“WHEREAS NCAA Constitution Article 4.1.2 charges the NCAA Executive Committee with identifying core issues that affect the Association as a whole and with overseeing Association-wide issues and ensuring that each division operates consistent with the basic purposes, fundamental policies and general principle of the Association;

“WHEREAS the Executive Committee regularly takes action to preserve and enhance student-athlete health, safety and well-being and promote nondiscriminatory and effective learning and competitive environments;

“WHEREAS NCAA Constitution Article 2.2.3 requires each member institution to protect the health of, and provide a safe environment for, each of its participating student-athletes;

“WHEREAS the U.S. Department of Education Office for Civil Rights has issued guidance related to sexual harassment, bullying and violence against all students under Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. §§ 1681 *et seq.*, which applies to all educational activities, including athletics programs, of higher education institutions receiving federal financial assistance and which states that sexual violence includes rape, sexual assault, sexual battery, sexual coercion and gender-based harassment.

“Now, Therefore, Be It Resolved, that the Executive Committee recognizes the importance of addressing the abhorrent societal issue of sexual violence, especially when it occurs on our campuses. The Executive Committee acknowledges that it is our members’ collective responsibility to maintain campuses as safe places to learn, live, work and play. The Executive Committee expects NCAA members to ensure that the values and principles articulated in the Constitution to protect the health and safety of student-athletes, operate fairly and ethically, and further to assure that student athletes are neither advantaged nor disadvantaged by special treatment and that institutions’ athletics departments must:

- “Comply with campus authorities and ensure that all athletics staff, coaches, administrators and student-athletes maintain a hostile-free environment for all student-athletes regardless of gender or sexual orientation; know and follow campus protocol for reporting incidents of sexual violence; report immediately any suspected sexual violence to appropriate campus offices for investigation and adjudication;
- “Educate all student-athletes, coaches and staff about sexual violence prevention, intervention and response;
- “Assure compliance with all federal and applicable state regulations related to sexual violence prevention and response; and
- “Cooperate with but not manage, direct, control or interfere with college or university investigations into allegations of sexual violence ensuring that investigations involving student-athletes and athletics department staff are managed in the same manner as all other students and staff on campus.”

- b. Pennsylvania State University Consent Decree. Emmert noted that the annual report from Senator George Mitchell is due within the next few weeks and, as was done last year, the Executive Committee and the NCAA Division I Board of Directors will meet in early September to receive the report.

- c. Regulatory review. The Committee received a written update on progress made on each of the regulatory review recommendations. The Committee noted that, of the 28 proposals, 22 have either been completed or already had some action taken toward resolution of the identified issues. The remaining six are on schedule to be addressed according to the original timeline presented.
  - d. Enforcement and Committee on Infractions updates. The Committee received an update from Jon Duncan, vice president of enforcement. Duncan shared efforts he has undertaken with the membership and other interested parties to demystify the enforcement process and to respond to recent criticisms in the media. He also shared a general overview of the upcoming docket. Donald Remy, executive vice president for law, policy and governance and chief legal officer, also provided a brief review of the activities of the Committees on Infractions, noting that the committees currently are engaged in a training exercise.
4. NCAA Executive Committee Finance and Audit Committee (ECFAC) report.
- a. NCAA 10-Year Capital Asset and Renewal/Replacement Plan. The Executive Committee Finance and Audit Committee reviewed a 10-year capital asset renewal and replacement plan that was developed by the facilities and information services staff at the NCAA. This plan encompasses all major asset purchases and replacements estimated for both buildings and information services equipment through 2014. The plan also allows the national office to normalize cash inflows to a reserve at \$996,000 a year over the 10 years. The beginning balance of the reserve for September 1, 2014, will be \$18.3 million dollars, which will be funded from two reserves that already exist. Those reserves have a current balance of \$38.2 million. The \$20 million excess in these two older reserves that will be eliminated will come back to the Executive Committee in January when the Committee will vote on uses of unallocated net assets. The Finance and Audit Committee recommends approval of the NCAA 10-Year Capital Asset and Renewal/Replacement Plan.

It was VOTED

“To approve the 10-Year Capital Asset and Renewal/Replacement Plan as proposed by the Finance and Audit Committee.”

- b. NCAA 10-Year Capital Asset Renewal and Replacement Reserve Policy. The Finance and Audit Committee reviewed a policy that supports the 10-year capital Renewal and Replacement plan, as well as provides for the accumulation of reserves. The plan provides the details on the goals and objectives of the policy,

allowable purchases, required approvals for changes, and the calculation for the reserve. The main components include the estimated spend plus a 25 percent contingency, as well as the ability to recalculate the annual cash inflow every five years should the plan change.

- c. Black Coaches Association (BCA). The Committee continued its discussion on possible funding for the BCA organization. An updated plan was reviewed that includes board composition, fundraising initiatives, membership dues, salary and benefit proposals for limited staff, facility location, a multiyear budget and the request for assistance. The request to the NCAA Executive Committee is to allow the BCA to be housed at the NCAA national office facilities for three to five years and a two-year total cash contribution of \$750,000. The Finance and Audit Committee recommends approval of the BCA funding request.

It was VOTED

“To approve the BCA funding request as proposed by the Finance and Audit Committee.”

- d. FY 2014-15 budget requests and recommendations. The Finance and Audit Committee reviewed the budget requests for the next fiscal year. The overall budget increase is \$24.4 million and is the amount approved three years ago by the ECFAC. This request is the proposed spend of the \$24.4 million and includes:
- (1) Division I revenue distribution increase of 2.9 percent or \$14.4 million dollars.
  - (2) Division I championship programming increases of \$2.4 million dollars. These dollars are being allocated across all Division I championships based on prior year spending trends. In addition, more than \$330,000 will be focused on officiating pay and \$400,000 will allow the Association to implement a new basketball timekeeping system more aligned with what member institutions use.
  - (3) Total compensation will increase by \$3.5 million. This includes:
    - (a) Three percent annual merit increase based on performance rankings. This increase is supported by national human resources surveys on 2013-14 increases.
    - (b) One-half percent increase for staff equity items identified by a Mercer analysis.

- (c) Twelve promotions. Most NCAA promotions are limited to the budget cycle.
  - (d) The net effect of full-time equivalent (FTE) changes between the current fiscal year and next year will be zero. No new FTEs were added.
- (4) The Sports Science Institute's budget is increasing \$1.163 million. Of this, \$163,000 will provide ongoing funds for forums such as mental health, concussions, and alcohol and drugs. The other million is designated for ongoing research opportunities that support health and well-being of student-athletes.
  - (5) An investment is requested for information services infrastructure improvements that will enhance security and provide a quality assurance environment. The total for this is \$340,000.
  - (6) A total of \$225 thousand is requested to allow the Eligibility Center to deliver decisions earlier in the recruiting decision cycle.
  - (7) A \$210,000 increase in the NCAA Convention budget is requested to add more access to wireless, the keynote luncheon and closed captioning.
  - (8) The directors and officers insurance policy premium increased \$900,000 this year. Funds already have been reallocated to cover most of the increase, but an additional \$178,000 is needed to cover the full \$900,000.
  - (9) A total of \$145,000 remains unspent of the \$24 million increase and will be added to the overall reserve.
  - (10) The Division II increase of \$1 million is the division's 4.37 percent of the overall budget increase. Division II is recommending these dollars be used to increase championship transportation and per diem by \$728,000, the Division II distribution by \$206,000 and allocate \$130,000 to scholarships and grants.
  - (11) Division III's increase of \$775,000 is the division's 3.18 percent of the overall budget increase. Division III is recommending that \$30,000 be added to championships transportation and per diem, with the rest being put into membership trust. Division III is experiencing challenges in championship costs and will hold onto the vast majority of this year's in-

crease until it has made changes and knows the full impact of what it needs for ongoing championship expenses.

The Finance and Audit Committee recommends approval of the President's recommendations for the FY 2014-15 budget.

It was VOTED

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

5. Confederate Battle Flag Policy. The Committee continued its discussion on the Confederate battle flag policy and received a report from Mark Lewis, executive vice president of championships and corporate alliances. Lewis outlined the distinction between predetermined and nonpredetermined championships in all sports and all three divisions, noting that in sports other than Division I men's basketball the policy does not apply during early round competition because those events are nonpredetermined. Lewis also noted that, when the policy was adopted in 2001, Division I women's basketball early round competition was nonpredetermined. The Committee took no action on the request of the NCAA Minority Opportunities and Interests Committee to change the policy application to nonpredetermined as well as predetermined sites. The policy remains in its current form, continuing to restrict predetermined championship events only in the states of South Carolina and Mississippi.
  
6. Executive Committee Subcommittee on For-Profit Institutions. The Executive Committee reviewed the recommendations of the Executive Committee Subcommittee on For-Profit Institutions. The Committee directs the three divisions to consider the adoption of legislation that addresses the subcommittee's recommendations, which are:
  - a. Governance. For-profit members will not have direct participation in the NCAA governance process, meaning that they will not vote on NCAA legislation nor serve as a voting institution representative on an NCAA committee. For-profit member representatives may be designated by their conference to serve as a representative of the conference on an NCAA committee. Further, the division may allow for ex officio or speaking only participation in NCAA governance proceedings.
  
  - b. Finance. For-profit members will not receive NCAA grants or financial distributions directly from the NCAA. The NCAA may receive requests for funding from a conference with a for-profit member and may make allocations to the confer-

ence. However, it will be the conference's sole determination about allocation of any dollars to a for-profit institution based on the conference's own policies or bylaws.

The described changes in governance and finance will help reinforce the NCAA's non-profit, supporting organization tax status by differentiating current, for-profit institutions from NCAA nonprofit institutions.

Each division is asked to take up legislation at their October presidential governance meetings. This legislation will deal only with current NCAA for-profit members. Divisions separately will address whether membership criteria for new applicants should include nonprofit requirements and how to handle future tax status changes of current members to for-profit status.

The subcommittee made no recommendations that would affect current for-profit institution participation in NCAA championships or hosting of championships. Further, for-profit institutions may receive expense reimbursement for participation or hosting.

Finally, the Executive Committee adopted the subcommittee's recommendation to study whether there will need to be any institutional or NCAA governance policies or legislation dealing with institutions that are publicly traded, or which are subsidiaries of publicly traded companies, for purposes of complying with the U.S. Securities and Exchange Commission laws and regulations.

7. NCAA Gender Equity Task Force. The Committee received the report of the Gender Equity Task Force. The task force was reconstituted last year to review the status of women in intercollegiate athletics and the gender equity performance of the Association and its members and to identify suggested strategies to address shortcomings and inequities.
  
8. Executive Committee restructuring. The Committee continued its discussions on possible restructuring efforts. President Tom Haas shared feedback received from the Divisions II and III Presidents Councils during teleconferences in June and outlined a draft timeline for further discussion and implementation of any recommendations. Haas noted that the proposal included two phases; the first would contemplate a name change from "Executive Committee" to "Board of Governors" and would include a restatement of the role of the Committee. The second phase, which would begin after the 2015 NCAA Convention, would include discussion around composition and terms of service for committee members with discussion and dialogue to occur throughout 2015 and possible legislative action at the 2016 NCAA Convention. The Committee generally supported the direction

but asked that the concepts be shared more broadly with the membership before any action would be taken.

9. Legal report. The Committee received a privileged report from Donald Remy on current litigation and ongoing legal matters. The Committee authorized NCAA legal counsel to negotiate and, if appropriate, execute settlement agreements in connection with the Arington and Corman matters consistent with the terms described to the Committee.
10. Governmental relations update. The Committee received an update from the government relations office, including the recent hearing on student-athlete well-being issues, the union efforts to organize student-athletes and legislation impacting college athletics.
11. 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:
    - Governance restructuring. Will continue its focus on governance restructuring with several actions to be taken during its August 7 meeting.
  - b. Division II Presidents Council. The Committee received an update on the actions of the Division II Presidents Council that included the following:
    - (1) Brand enhancement. Continues to work on its brand enhancement project with the goal of redefining the current and future state of Division II, moving the focus from an internal audience to an external audience with emphasis on value added.
    - (2) 2015 NCAA Convention. The 2015 legislative docket will include a proposal from the Division II National Student-Athlete Advisory Committee to include two students-athletes on the Division II Management Council to enhance the student-athlete voice on that body. The division also is considering legislation that would stipulate that Division II directors of athletics and compliance administrators also may not hold coaching responsibilities. Additionally, Division II is considering legislation to allow

unlimited meals and snacks for student-athletes, thereby allowing institutions greater flexibility. Finally the division is discussing legislation to organize a national championship in the sport of Sand Volleyball.

c. Division III Presidents Council. The Committee received an update on upcoming actions of the Division III Presidents Council that included the following:

- (1) Budget. Will continue its work on the Division III budget, noting that over the past year expenses have exceeded revenues and reductions may be necessary in the championships budget.
- (2) 2015 NCAA Convention. Noted that there are 12 proposals for consideration during the 2015 Convention.
- (3) Competition during the nontraditional season. Will continue to discuss concepts regarding nontraditional seasons and the possibility of decreasing by 10 percent the number of contests in all sports without shortening the season.

12. 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
Gene Block, University of California, Los Angeles Judith Bense, University of West Florida Rita Cheng, Southern Illinois University at Carbondale Alan Cureton, University of Northwestern-St. Paul Mark Emmert, NCAA President Patrick Harker, University of Delaware Thomas Haas, Grand Valley State University Nathan Hatch, Wake Forest University David Hopkins, Wright State University David Leebron, Rice University	Sharon Herzeberger, Whittier College

Horace Mitchell, California State University, Bakersfield Noreen Morris, Northeast Conference Harris Pastides, University of South Carolina Terry Rupert, Wilmington College, Ohio E. Joseph Savoie, University of Louisiana at Lafayette Kirk Schultz, Kansas State University Lou Anna Simon, Michigan State University Karen Stromme, University of Minnesota Du- luth	
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Other Participants

Scott Bearby, managing director of legal affairs

David Berst, vice president of Division I

Jon Duncan, vice president of enforcement

Daniel Dutcher, vice president of Division III

Jim Isch, chief operating officer

Jean Frankel, consultant

Brian Hendrickson, director of strategic communications

Cari Klecka, director of executive affairs

Mark Lewis, executive vice president of championships and corporate alliances

Kathleen McNeely, vice president of administration and chief financial officer

Delise O'Meally, director of governance and international affairs

Donald Remy, executive vice president of law, policy & governance/chief legal officer/  
Executive Committee liaison

Terri Steeb-Gronau, vice president of Division II

Bob Williams, vice president of communications