

**REPORT OF THE
NCAA BOARD OF GOVERNORS
August 5, 2015**

KEY ITEMS.

- None.

ACTION ITEMS.

- None.

INFORMATIONAL ITEMS.

1. **Welcome and announcements.** The NCAA Board of Governors chair, Kirk Schulz, convened the meeting at approximately 12:30 p.m. Eastern time. The members of the board agreed to change the order of the presentation of agenda items to ensure complete and full discussions of specific agenda items.
2. **Approval of meeting reports.** The board approved the reports of the April 30 and the June 17 and 19, 2015 meetings with no changes.
3. **Executive session.** The board moved the executive session in order to discuss administrative matters earlier in the agenda.
4. **Discussion regarding litigation policy and strategy.** Chief Legal Officer, Donald Remy, provided an attorney client privileged and confidential briefing for the purpose of facilitating a dialogue on current litigation and strategy. The board authorized the chief legal officer to: (i) pursue legal action against a [privileged] in a potential [privileged] matter; (ii) pursue legal action against [privileged] in a separate [privileged] matter and (ii) pursue [privileged] options to resolve a case [privileged].

It was unanimously VOTED.

"To initiate legal action seeking injunctive relief in federal court in a [privileged] matter."

It was unanimously VOTED.

*"To initiate legal action [privileged] matter." It was
unanimously VOTED.*

"To pursue [privileged] options in a case [privileged]."

The board also revisited discussions regarding its policies and requested NCAA staff to provide a balanced and informative presentation on one or more policies for the board's review and consideration at the October 2015 meeting.

5. NCAA Board of Governors Finance and Audit Committee report.

- a. **FY 2015-16 external and internal audit plans.** President Papp, chair of the NCAA Board of Governors Finance and Audit Committee, presented the Deloitte financial (external) audit plan, as well as the internal audit plan for the 2015-16 fiscal year. The committee sought and received the board's acceptance of the external audit report and the approval of the internal audit report.

It was unanimously VOTED.

*"To accept the external audit plan from Deloitte for the
2015-2016 fiscal year."*

It further was unanimously VOTED.

*"To approve the internal audit plan from the Internal Audit
Director for the 2015-16 fiscal year."*

- b. **NCAA President's recommendations for FY 2015-16 budget.** President Papp reported on the Association's proposed budget for the 2015-16 fiscal year. The proposed total budget is \$907,215,504 and includes the Association's requests and recommendations in the amount of \$8,567,989. These requests are consistent with the revised 10-year financial plan and the following evaluation criteria as provided by NCAA President, Mark Emmert:

- (1) Support the NCAA three-to-five year goals.
- (2) Support budget changes agreed to in January regarding funding for and increases in NCAA Division I distributions of \$18.9 million.
- (3) Maintain the championship experience.

- (4) Support the current initiatives that include health and safety of student-athletes and support of the new Division I governance structure.
- (5) Reduce association-wide expenses by \$7.5 million over three years by supporting operational initiatives which maximize service and resource productivity while maintaining national office services to the membership.

The committee approved the budget as proposed and recommended approval by the full board.

It was unanimously VOTED.

"To approve the fiscal year 2015-2016 budget."

- c. **Third quarter fiscal year 2014-15 budget-to-actual review.** The committee reported that it reviewed a comparison of actual revenues and expenses versus budgeted revenues and expenses during the third quarter of the current fiscal year (2014-15) and advised that the Association is on track to meet budget.
 - d. **Options related to reserve balances.** The committee concluded its report by noting that it had started initial discussions about the reserve balances in response to questions concerning financial pressures on athletic programs and ongoing litigation. These discussions will occur into October as the committee determines the right level of reserves to maintain in the current environment.
6. **Discussion on the structure of the Board of Governors.** The chair provided introductory remarks about the board's role as an inclusive, Association-wide committee and his ongoing discussions with NCAA Division II and NCAA Division III directors of athletics. He discussed each division's fiscal concerns as related to ensuring a quality student-athlete experience, including championship experience. The chair also described comments the directors of athletics shared with him about the national office, particularly the Sport Science Institute's desire to be communicative, engaging and informative across the divisions on certain student-athlete well-being issues. The chair then called upon President Bense to discuss the work of the Board of Governors Committee on Structure and Composition.

President Bense described the committee's work over the past several months as consistent with its charge and consistent with the Association's established core values. The committee affirms the federated governance model and sees a window of opportunity to strengthen Association identity and unity. Leadership, appropriate stakeholders, member terms and other specific issues of governance will be the committee's focus. The committee will not consider matters related to budget or revenue distribution.

The committee made the following recommendations for full board approval:

- a. **Recommendation No. 1.** Requests for re-affirmation or endorsement of the general principles of governance and organization, as found in NCAA Constitution, Article 4, from the presidential governing bodies in Divisions I, II, and III, specifically the NCAA Division I Board of Directors and NCAA Divisions II Presidents Council and NCAA Division III Presidents Council.
- b. **Recommendation No. 2.** Request review and approval of a proposed Board of Governors Chair/Vice Chair policy to further and strengthen the board's leadership.
- c. **Recommendation No. 3.** Request approval of the committee's plan to carry out its charge:
 - (1) First component. Education of and feedback from the membership on NCAA organization and governance.
 - (2) Second component. Preparation of draft model(s) for the April 2016 meeting for final feedback from the appropriate governing councils/boards.
 - (3) Third component. Preparation of a proposal of composition and terms for the board to submit for Association-wide vote at 2017 Convention.

It was unanimously VOTED.

"To approve the committee's three recommendations to carry out its charge."

7. **NCAA Board of Governors vice chair.** The chair asked the Division II and Division III members of the board to consider the commitment necessary for the vice chair position and encouraged them to express their interest. At the chair's request, the board agreed to hold further discussions and an election at the October 2015 board meeting.
8. **Division I Board of Directors and Divisions II and III Presidents Councils reports.**
 - a. **Division III Presidents Council.** President Alan Cureton, Division III Presidents Council chair, reported on the council's agenda, which included a recommendation

from the division's Strategic Planning and Finance Committee and Management Council, to increase annual Division III membership dues from \$900 to \$2000 for each school and from \$450 to \$900 for each conference. The Division III membership would vote on the increase in January 2016, with an effective date of August, 2017. The division estimates that the increase would generate approximately \$520K annually. President Cureton also advised that the council intends to discuss best practices to better engage presidents at the conference level and an opportunity to survey Division III membership about playing and practice seasons.

President Schulz expressed the general consensus that the board would support Division III's plan for a reasonable institution and conference dues increase and Division III's retention of the additional revenue created by that increase. The board will consider the matter for a formal vote at its October meeting.

- b. **Division II Presidents Council.** The board of governors received a report on the agenda of the Division II Presidents Council from President Judy Bense, council chair. President Bense advised that the council will review 12 proposals that could be voted on during the 2016 Division II Business Session. She also reported that the council will review funding models for the division's Foundation Future Initiative and strategic plan priorities for the 2015-16 year.
- c. **Division I Board of Directors.** President Harris Pastides, Division I Board of Directors chair, recognized the time spent by board members participating and observing the discussions of the Division I Strategic Summit. He also thanked the members and NCAA senior staff for their leadership in implementing the Association's Confederate Battle Flag Policy in 2001 and support of institutions located in South Carolina since the removal of the confederate flag.

President Schulz and the board thanked President Pastides for his public leadership.

- 9. **NCAA President's report.** NCAA President, Mark Emmert, discussed the efforts of the national office staff to carry out the priorities of the board in the area of external messaging and communications. At this point in the meeting, President Schulz welcomed principals from [communications firms] to present a proposed communications plan for the Association. He also welcomed members of the Division I Board of Directors who were invited to hear the presentation for information purposes only.

- 10. New Association communications plan.** Bob Williams, Senior Vice President of Communications, reported on the work of his office to identify a firm that could assist the Association in achieving its communications goals. Principals from [communications firms] identified successful long-term and short-term strategies and proposed a plan for the members of both governing bodies to consider. The members of the board of governors (only) voted to approve the budget request to support the communications plan as presented.

It was unanimously VOTED

"To approve of a three year budget for this communication plan [consistent with terms as presented]."

President Emmert requested that member institutions review their media inventory and consider sharing that media for the new initiative.

11. Future meetings.

- a. Thursday, October 29, 2015; Indianapolis, Indiana.
- b. Saturday, January 16, 2016; San Antonio, Texas.

- 12. Adjournment.** The meeting was adjourned at approximately 4:40 p.m.

Committee Chair: Kirk Schulz, President, Kansas State University.

Staff Liaisons: Donald Remy; Law, Policy and Governance

Terri Carmichael Jackson; Law, Policy and Governance

Attendees	Absentees
Stan Albrecht, Utah State University Judith Bense, University of West Florida Gene Block, University of California, Los Angeles Alan Cureton, University of Northwestern-St. Paul Mark Emmert, NCAA President Philip Hanlon, Dartmouth College John Hitt, University of Central Florida Tim Ladd, Palm Beach Atlantic University David Leebron, Rice University L. Jay Lemons, Susquehanna University Roderick McDavis, Ohio University Harris Pastides, University of South Carolina, Columbia Baker Pattillo, Stephen F. Austin State University Daniel Papp, Kennesaw State University Jim Phillips, Northwestern University Lori Runksmeier, New England College Joe Savoie, University of Louisiana, Lafayette Kirk Schulz, Kansas State University Steve Scott, Pittsburg State University	David R. Hopkins, Wright State University

Other Participants
Johnathan Alger, NCAA Division I Board of Directors member Scott Bearby, NCAA staff member Andrew Bleeker, communications consultant Robert Caslen, NCAA Division I Board of Directors member Matt Chandler, communications consultant Christine Cooper, NCAA Division I Board of Directors member Terri Carmichael Jackson, NCAA staff member Diane Dickman, NCAA staff member Dan Dutcher, NCAA staff member Kimberly Fort, NCAA staff member Bernard Franklin, NCAA staff member Jenn Fraser, NCAA staff member Dianne Harrison, NCAA Division I Board of Directors member Brian Hendrickson, NCAA staff member Terry Hilderbrand, United States Military Academy staff member John Hitt, NCAA Division I Board of Directors member

Maritza S. Jones, NCAA staff member
Eric Kaler, NCAA Division I Board of Directors member
Cari Klecka, NCAA staff member Kevin
Lennon, NCAA staff member Mark
Lewis, NCAA staff member Kathleen
McNeely, NCAA staff member
Jane Miller, NCAA Division I Board of Directors member
G.P. Peterson, NCAA Division I Board of Directors member
Donald M. Remy, NCAA staff member
Rob Shepardson, communications consultant
Clifton Smart III, NCAA Division I Board of Directors member
Kendall Spencer, NCAA Division I Board of Directors member
Samuel Stanley, NCAA Division I Board of Directors member
Naima Stevenson, NCAA staff member
Bob Williams, NCAA staff member
George Wright, NCAA Division I Board of Directors member