

**REPORT OF THE
NCAA BOARD OF GOVERNORS
AUGUST 3, 2016
MEETING**

KEY ITEMS.

- None.

ACTION ITEMS.

- None.

INFORMATIONAL ITEMS.

1. **Welcome and announcements.** NCAA Board of Governors Interim Chair Jay Lemons, convened the meeting at 2 p.m. and requested members of the Board of Governors to make introductions. NCAA staff confirmed that a quorum was present. Lemons specifically welcomed new members Bud Peterson of Georgia Institute of Technology and Samuel Stanley of Stony Brook University to their first in-person Board of Governors meeting. He thanked for their service, Gene Block of the University of California, Los Angeles, Harris Pastides of the University of South Carolina, Columbia and Stan Albrecht of Utah State University who were attending their last meeting, as well as David Leebron (in absentia) of Rice University. And, he welcomed Eli Capilouto of the University of Kentucky and Steven Leath of Iowa State University, as well as Eric Kaler (in absentia) of the University of Minnesota and Philip DiStefano (in absentia) of the University of Colorado, Boulder, who were invited to observe and will begin their service on the Board of Governors immediately following the meeting.

2. **Matters unanimously approved by way of the Consent Agenda.** Without discussion, the Board of Governors members reviewed the report of its April 2016 meeting and receipt of the written regulatory affairs priorities and written sports wagering update (including a letter from Las Vegas Events regarding potential bids for NCAA Championship events). It was moved and properly seconded; and

*It was unanimously **VOTED.***

"To approve the consent agenda."

3. **NCAA President's report.** NCAA President Mark Emmert further thanked outgoing members of the Board of Governors and reflected on the fact that most of the governors were relatively new to the body and only one was present when certain discussions were had on key policy issues four years ago. President Emmert briefly described the progress that has occurred in college sport over the last several years recognizing that further improvements were underway. He provided a summary of his views of key issues on the current agenda of the Board of Governors.

President Emmert then facilitated a discussion of the Board of Governors around the global, national and regional societal issues that impact intercollegiate athletics. The issues included a need for understanding, planning and advancement in the areas of race relations and representation, gender identity tolerance, protection against relationship violence and appreciation for differences in the membership including religious, secular and financial. Specifically, he focused the group on

the various roles at the national, conference and campus levels, recognizing that each had a role to play.

Lastly, President Emmert reflected on his recent international engagement and indicated that he planned for the Association to provide more information globally about the value of the American intercollegiate athletic system.

4. **Creation of an Association-wide Student Athlete Advisory Committee.** NCAA Executive Vice President Donald M. Remy and NCAA Chief of Staff Cari Van Senus presented to the Board of Governors a concept to create an Association-wide ad hoc committee focused on the facilitation of dialogue within the student-athlete community and providing student input on issues, policy, and the execution of key initiatives that cut across all three divisions. Remy and Van Senus described the need for such a committee, the involvement of a former Division I SAAC member in its inception and creation, and the next steps. It was moved and properly seconded; and

It was unanimously VOTED.

“The NCAA Board of Governors requests that the proposal to create and appoint members to a new Board of Governors Association-wide Student Athlete Advisory Committee be discussed by each of the divisional Student Athlete Advisory Committees and an initial recommendation on structure and role be provided to the Board of Governors by January 2016.”

5. **Law, policy and governance strategic discussion.** Facilitated by NCAA Executive Vice President and Chief Legal Officer Donald M. Remy.
 - a. **Policies and procedures.** The Board of Governors discussed the Policies, Procedures and Legislative Authority Manual. Remy provided a historical perspective on the development of the document and highlighted specific provisions including fiduciary duties, voting procedures, secure board communications, Association-wide governance structure and committees, policymaking authority, delegations of authority, conflicts of interest, and defense and indemnification. Upon request, staff committed that a full briefing on the defense, indemnification and insurance coverage and policies would occur at a subsequent meeting. It was moved and properly seconded; and

It was unanimously VOTED

“The NCAA Board of Governors approves as final the August 2016 draft of the NCAA Board of Governors Policies, Procedures & Legislative Authority Manual. The NCAA Board of Governors authorizes NCAA staff to make administrative edits to the Manual to place in the proper style and format, as well as to correct any non-substantive inconsistencies or typographical errors. The manual will be reviewed by the Board of Governors for update on an annual basis at each August Meeting.”

- b. **Government relations.** The Governors received a brief verbal report to supplement the written materials on government relations activity. Remy noted that consistent with the instructions of

the governors, significant progress had been made on the passage of daily fantasy sports laws across the country that prohibited competition on college sports. Further, Remy commented on the progress of discussions with members of Congress and their staffs on the NCAA positions regarding the health, safety and wellness of student athletes.

- c. **Sport Science Institute.** Remy commented on the strategic priorities of the Sports Science Institute: cardiac health; concussion; doping and substance abuse; mental health; nutrition, sleep and performance; overuse injuries and periodization; sexual assault and interpersonal violence, athletics health care administration; and data-driven decisions. He indicated that NCAA Chief Medical Officer Brian Hainline, would present at the Presidential Breakfast on August 4, 2016 and each Governor would be able to ask questions of him at that time.
- d. **Legal and litigation.** Managing Director and General Counsel Scott Bearby facilitated a strategic privileged discussion regarding four matters of ongoing litigation. It was requested and agreed that staff would publish Frequently Asked Questions (FAQ) regarding the contact information production obligations required by the court in the preliminarily approved settlement in the *Arrington* case.

6. **NCAA Board of Governors Finance and Audit Committee report.** Finance and Audit Committee Chairman President Daniel Papp, resigned his seat on the Board of Governors effective June 20, 2016, when he retired from his presidency at Kennesaw State University. Interim Chair of the Board of Governors, Jay Lemons, was appointed acting chair of the Finance and Audit Committee and presented the report of the Committee.

- a. **FY 2016-17 external and internal audit plan.** President Lemons described the Deloitte (external) financial audit plan for the 2015-16 fiscal year and the internal audit plan presented to the committee by internal audit Director Jim Brown, and indicated the committee had no concerns with the materials presented. The committee sought and received the Board's acceptance of the plans. It was moved and properly seconded; and

It was unanimously VOTED.

“To accept the external audit plan from Deloitte for the 2016-2017 fiscal year.”

It further was unanimously VOTED

“To approve the internal audit plan from the internal audit Director for the 2016-2017 fiscal year.”

- b. **NCAA Presidents recommendations and requests for FY 2016-17 budget.** President Lemons outlined the criteria by which the FY2016-17 budget requests were allocated, including President Emmert's goals of maintaining championships, supporting student-athlete initiatives and maximizing productivity and services to the membership. He then reported on the Association's proposed budget for 2016-17. The proposed total budget is \$945,645,239, which includes requests presented to the committee by Chief Financial Officer Kathleen McNeely, of \$38, 429,735.

President Lemons highlighted the following areas of the budget, indicating that the full details were included in the written materials.

- A \$14.9 million increase to the Division I distribution.
- Increases to the Division II and Division III allocation of \$2.7 million.
- Division I championship spend increased \$3.5 million.
- A \$13 million upward adjustment to better reflect 3rd party legal fees. This moves the 3rd party legal fees budget to \$20 million, consistent with trends in costs and spend. This adjustment is made counter to an adjustment in ticket sales allocation which have historically been budgeted low.
- Total compensation increases of \$3.8 million. For the fourth year in a row the NCAA is maintaining 514 full-time positions.

President Lemons reflected that the Committee approved the budget as proposed and recommended approval by the full board. It was moved and properly seconded; and

It was unanimously VOTED.

"To approve the fiscal year 2016-2017 budget."

- c. **NCAA Quasi-Endowment Policy amendment.** President Lemons presented information on the Quasi-Endowment Policy. Based upon a prior action of the Board of Governors funding for the one-time \$200 million Division I distribution in the spring of 2017 will be drawn from the NCAA Quasi-Endowment. As such, President Lemons reported that the Finance and Audit Committee recommends adding language to the Quasi-Endowment policy to explicitly authorize approaches to execute on this action. It was moved and properly seconded; and

It was unanimously VOTED.

"To add the following language to the NCAA Quasi-Endowment Policy

“The NCAA anticipates making a \$200 million distribution to Division I member institutions in the spring of 2017. The NCAA may choose to incrementally raise cash needed to make this distribution over the course of up to 12 months prior to the distribution. Any cash that is raised and earmarked for the distribution will be excluded when considering the Quasi-Endowment’s actual asset allocation relative to the target allocation and permissible ranges outlined in the policy.”

- d. **Third quarter fiscal year 2015-16 budget-to-actual review.** President Lemons reported together with the Chief Financial Officer that the committee 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. President Lemons reported that the Committee understood all significant variances and had no concerns.

7. **Campus Sexual Violence report.** Hainline and Van Senus provided a report on various initiatives regarding the Association's efforts to combat campus sexual violence through engagement, education and action. Specifically, they reported on meetings they had with Brenda Tracy and Darius Adams regarding their petition on *Change.Org*. Hainline and Van Senus then provided the Governors with an update on the work of the Sexual Violence Task Force, including an upcoming tool kit to be released this fall. They gave insight into the development and publication of the NCAA Handbook - "*Addressing sexual assault and interpersonal violence: athletics role in supporting healthy and safe campuses.*" And, they facilitated a discussion of the Governors on the creation of an Ad hoc Committee on Sexual Violence Prevention to include members internal and external to the membership. It was properly moved and seconded; and

It was unanimously VOTED

"To create an Ad hoc Committee focused on issues of sexual violence on college campuses. The Committee will be composed of college presidents and chancellors, experts in the fields of student services and assault prevention, student athletes, athletics administrators and other leaders. Among its tasks, the Committee will focus on strategies for prevention and continued education about sexual violence at colleges and universities, defining the role of the NCAA, conferences and campuses in these efforts, and specifically examine the issue of eligibility for competition of student-athletes who have been perpetrators in incidents of sexual violence."

The Committee must provide its first report at the January 2017 meeting of the Board of Governors.

Further discussion ensued about potential legislative action for the Association led by the NCAA President. The Board expressed a consensus reaffirmation of the 2014 resolution of the then Executive Committee and directed that the same be republished as a current expression of the views of the Governors. Specifically, it also was noted that the resolution included expectations that campuses:

- Comply with campus authorities and follow campus protocol for reporting incidents of sexual violence.
- Educate 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.

- Cooperate with, but not manage, direct, control or interfere with college or university investigations into allegations of sexual violence, ensuring investigations involving student-athletes and athletics department staff are managed in the same manner as all other students and staff on campus.

After discussion, the Board concluded that portions of the resolution should be considered for adoption into binding NCAA legislation. It was properly moved and seconded; and

It was unanimously VOTED

“To request that each of the divisions consider passage of consistent legislation that would place into NCAA by-laws expectations from the 2014 Executive Committee resolution.”

8. **Ad hoc Committee on Structure and Composition.** President Judy Bense reported on the successful work of the committee and discussed the report of its August 1 meeting. After discussions with each of the divisional bodies on a possible change in composition of the Governors, the Ad hoc Committee proposed that the governors endorse a resolution that reflects the sense of the divisional leadership and a path forward. It was moved and properly seconded; and

It was unanimously VOTED

“To accept the August 1, 2016 Report of the Ad hoc Committee on Structure and Composition.”

Further, it was unanimously VOTED

“That the NCAA Board of Governors adopts the following Resolution:

Board of Governors Resolution on review of its roles, responsibilities and composition.

WHEREAS the NCAA Division I Board of Directors and NCAA Divisions II and III Presidents Councils recognize the critical role the Board of Governors plays in the governance of intercollegiate athletics on behalf of the entire Association; in particular, the Governors’ role in providing final approval and oversight of the Association’s budget and strategic planning, identifying core issues that affect the Association, acting on behalf of the Association by adopting and implementing policies to resolve core issues, initiating and settling litigation, and employing the NCAA president; and

WHEREAS the Board of Governors (previously “NCAA Executive Committee”) began a recent examination of the role, function, purpose and structure of the Governors in 2013; and

WHEREAS the early results of the examination included a name change to the Board of Governors to be more aligned with similar bodies that oversee higher education matters, the creation and election of a vice chair from a division different than the chair, and the adoption and publishing of an integrity model of duties that better reflected the values underlying the constitutional duties of the Board of Governors; and

WHEREAS the Board of Governors recognized the need for an ongoing assignment to also evaluate its composition, the Governors re-established an Ad hoc Committee on Structure and Composition to conduct this examination; and

WHEREAS the composition of the Ad hoc Committee was balanced across divisions, consisting of two representatives from each division (chair and vice chair) and the Board of Governors chair; and

WHEREAS the Ad hoc Committee's work was instrumental in evaluating and gathering input on possible new structures of the Governors, including through a membership survey and a related forum at the 2016 NCAA Convention; and

WHEREAS discussions around the possible new structures resulted in a reaffirmation that all divisions must support the Board of Governors' role in addressing core issues impacting the Association, and that this role is best served when all divisions provide meaningful input and perspectives to address and resolve the core issues impacting intercollegiate athletics; and

WHEREAS these discussions also reaffirmed that the responsibility to identify core issues that affect the Association, and act on behalf of the Association by adopting and implementing policies to resolve core issues, should always remain with a divisionally-diverse Board of Governors; and

WHEREAS these discussions resulted in a recognition that divisional differences within the Board of Governors responsibilities should be accounted for when appropriate, particularly in the area of Division I oversight for its budget and financial matters disproportionately impacting Division I; and

WHEREAS any changes to the composition and structure to the Board of Governors should be considered in conjunction with a continued review of the issues as noted above.

NOW THEREFORE, IT IS RESOLVED that the Board of Governors ask the Division I Board of Directors, and Divisions II and III Presidents Councils to provide an initial report to the Ad hoc Committee on Structure and Composition not later than October 2016 and that the Ad hoc Committee continue to work with the Board and Councils and provide a follow up report to the Governors in January 2017 and that final reports be presented in April 2017 that addresses the following items:

- *Evaluate the integrity model of the Board of Governors and identify any areas or sub-areas within the Board of Governors' responsibilities that may be best left to each divisional structure to address (either within the Board of Governors structure or through the Division I Board of Directors and Divisions II and III Presidents Councils).*
- *Having identified these issues, provide recommendations to the Ad hoc Committee to better reinforce the Association-wide commitment to addressing and resolving core issues while providing for divisional decision-making delegated authority when appropriate.*
- *Having identified these issues, provide recommendations to the Ad hoc Committee as to changes in the compositional structure that considers the appropriate (and potential increased) representation from Divisions I, II and/or III on the core issues.*
- *Recommendation as to whether the Board of Governors would be strengthened if some or all of the Board of Governors' membership were "untethered" from the divisional presidential bodies (Division I Board of Directors, Divisions II and III Presidents Councils), thus potentially increasing the number presidents in the governance of intercollegiate athletics, while allowing for a more focused engagement in the governance structure.*

BE IT FURTHER RESOLVED that a final recommendation be considered by the Board of Governors not later than April 2017.

President Lemons commented that the work of the Ad hoc Committee would continue to implement this resolution and noted that it was important to have continuity on the committee, including possibly asking members Presidents Pastides and Bense to continue to serve as ex-officio members even though their term on the Governors had expired.

9. **Ad hoc Committee to Promote Cultural Diversity and Equity.** President Lemons, reminded the body of the Ad hoc Committee's Association-wide leadership and composition. In addition to President Lemons, Susquehanna University (Division III), Chancellor Deborah Ford, University of Wisconsin, Parkside (Division II) and President Michael Drake, The Ohio State University (Division I) serve as co-chairs. In his reflections to the Governors, President Lemons described the progress of the Ad hoc Committee initiatives. One of those initiatives is to seek broad-based support for a voluntary membership pledge. The objective of the pledge is to promote diversity, gender equity and inclusion in hiring practices across the membership and the national office.

NCAA Chief Inclusion Officer Bernard Franklin discussed the feedback received from the membership on the pledge and the support for the current version. Franklin further discussed the planned process for the rollout of the pledge. He facilitated a conversation of the Governors, receiving additional favorable input and requests that they each be given immediate opportunities

to subscribe to the pledge as representatives of their colleges and universities. It was moved and properly seconded; and

*It was unanimously **VOTED***

The NCAA Board of Governors formally adopts the following “NCAA Pledge and Commitment to Promoting Diversity and Gender Equity in Intercollegiate Athletics” as the position of the Association with an expectation that each NCAA chief executive assure that his/her institution commits and adheres to its principles and values.

“Consistent with our mission and values, [NAME OF NCAA MEMBER HERE], a member institution of the National Collegiate Athletic Association (NCAA), pledges to specifically commit to establishing initiatives for achieving ethnic and racial diversity, gender equity and inclusion with a focus and emphasis on hiring practices in intercollegiate athletics to reflect the diversity of our membership and our nation.

“We recognize and value the experiences individuals from diverse backgrounds bring to intercollegiate athletics. To that end, we will strive to identify, recruit and interview individuals from diverse backgrounds in an effort to increase their representation and retention as commissioners, athletics directors, coaches and other athletics leadership positions. As part of this commitment we will also engage in a regular diversity, inclusion and equity review to inform campus policy and diversity initiatives.

“We understand this to be a collective responsibility we owe to student-athletes, staff, our athletics programs and the entire campus community.”

- 10. Championship host bidding criteria.** The Governors received a report from NCAA Executive Vice President Mark Lewis and Bearby on actions taken by the Ad hoc Committee to Promote Cultural Diversity and Equity, meeting the Governors requirement that when awarding contracts to host events, the selection process will include as one of many criteria that each bidder must provide a statement certifying its ability to deliver and maintain an environment that is safe, healthy and free of discrimination.

Lewis and Bearby described the questionnaire that had been issued to bidders and the process for its completion together with the planned process for completion of a similar requirement for those who previously have been awarded bids to host championships and other NCAA non-championship events. Lewis facilitated a discussion of the planned methodology to review bids, including the role of the staff, the championships committees and the Ad hoc Committee. It was noted that some of the decisions on access to championships may require the input of the full board of governors.

- 11. Report from the Executive Committee and election of new chair.** President Lemons reported on matters considered and concluded in the Executive Committee meeting earlier in the day including management’s performance and compensation plans. Further, he reported that the Executive Committee unanimously nominated President Bud Peterson to serve as the next chair of the Board of Governors. Taking the Executive Committee’s nomination as a motion,

*It was unanimously **VOTED***

That President Bud Peterson of Georgia Institute of Technology, having met all requirements, will serve as the chair of the board of governors commencing immediately for a period of two years thereafter unless otherwise modified.

- 12. Executive session.** The Governors concluded its meeting in executive session to discuss various administrative matters.
- 13. Adjournment.** The meeting was adjourned at approximately 6 p.m.
- 14. Future meeting dates.**
- October 26, 2016, NCAA national office.

*Board of Governors interim chair: Jay Lemons, president of Susquehanna University.
 Staff liaisons: Donald M. Remy, law, policy and governance.*

Attendees- Board of Governors Only	Absentees
Stan Albrecht, Utah State University Gene Block, University of California, Los Angeles LTG. Robert Caslen, Jr., United States Military Academy Alan Cureton, University of Northwestern Mark Emmert, NCAA Dianne Harrison, California State University, Northridge Glendell Jones, Jr., Henderson State University L. Jay Lemons, Susquehanna University Rod McDavis, Ohio University Jacqie McWilliams (Non-Voting), Central Intercollegiate Athletic Association Harris Pastides, University of South Carolina, Columbia Baker Pattillo, Stephen F. Austin State University Bud Peterson, Georgia Institute of Technology Jim Phillips, Northwestern University Tracey Ranieri, State University of New York, Oneonta Joseph Savoie, University of Louisiana, Lafayette Kirk Schulz, Kansas State University Steve Scott, Pittsburg State University Samuel Stanley, Stony Brook University	John Hitt, University of Central Florida David Leebron, Rice University

Other Participants

Scott Bearby, NCAA staff
Greg Boylan, United States Military Academy
Eli Capilouto, University of Kentucky
Lynn Durham, Georgia Institute of Technology
Dan Dutcher, NCAA staff
Kimberly Fort, NCAA staff
Bernard Franklin, NCAA staff
Terri Steeb Gronau, NCAA staff
Terry "Neal" Hilderbrand, U.S. Military Academy
Steven Leath, Iowa State University
Kevin Lennon, NCAA staff
Mark Lewis, NCAA staff
Oliver Luck, NCAA staff
Kathleen McNeely, NCAA staff
Donald M. Remy, NCAA staff
Cari Van Sensus, NCAA staff
Dave Schnase, NCAA staff
Amy Schwarb, NCAA staff
Cory Stamp, U.S. Military Academy