

**REPORT OF THE  
NCAA BOARD OF GOVERNORS  
OCTOBER 26, 2016  
MEETING**

**KEY ITEMS.**

- None.

**ACTION ITEMS.**

- **NCAA championships pilot on serving alcoholic beverages.** The Board of Governors approved the addition of three NCAA championships to the pilot program on serving alcoholic beverages and referred the issue to the Division I Board of Directors, and Divisions II and III Presidents Councils for action to issue a waiver or to pursue other appropriate legislative measures to ensure the pilot program is effectuated consistent with the divisions' legislative requirements.

**INFORMATIONAL ITEMS.**

1. **Welcome and announcements.** NCAA Board of Governors Chair Bud Peterson convened the meeting at approximately 2 p.m. NCAA staff confirmed that a quorum was present. Peterson welcomed the Governors and gave a special welcome to new members Eli Caputo of the University of Kentucky, Steven Leath of Iowa State University and Eric Kaler of the University of Minnesota, Twin Cities, who were attending their first in-person meeting.
2. **Matters approved by way of the consent agenda.** The Board of Governors reviewed the reports of its August 3 meeting and September 12 teleconference. The Governors also received an update on sports wagering issues and the potential impact on the Association's championships hosting policies.

It was VOTED.

"To approve the consent agenda." (Unanimous vote)

3. **NCAA president's report.** President Mark Emmert provided a summary of his views of key issues facing the Association, including the involvement of the NCAA in social issues and issues related to amateurism.
4. **Insurance coverage and Indemnification Policy.**
  - a. **Insurance coverage.** NCAA Chief Financial Officer Kathleen McNeely provided a report of the NCAA Business Insurance Portfolio, which includes an executive and professional liability insurance program, a property and casualty insurance program, and directors and officers liability coverage policies. McNeely summarized the coverages provided by each of the programs/policies.

- b. Indemnification Policy. NCAA Vice President and General Counsel Scott Bearby presented the Governors with a proposed amendment to the Defense and Indemnification Policy that specifies that any future change in any applicable law, statute or rule that expands the power to indemnify an Authorized Representative would not affect the Association's obligation under the Agreement.

It was VOTED.

“That the Board of Governors approve the amended policy.” (Unanimous vote.)

5. **Board of Governors use of technology and Open Records Laws**. Scott Bearby reviewed with the Governors the recommended process for obtaining meeting materials and other confidential communications to carry out NCAA business.
6. **NCAA International member pilot program**. NCAA Vice President of Division II Terri Steeb Gronau provided a report on the International Pilot Program for NCAA membership and explained that the status of the program will need to be determined next year. Steeb Gronau noted that the Association continues to examine the possibility of expanding NCAA membership to include international universities and colleges. Currently, Simon Fraser University located in British Columbia, Canada, is the only NCAA member (Division II) from outside of the United States. Steeb Gronau summarized the progress of the pilot program from its inception in 2007 until now, including the rationale for the pilot, key components of the program and an assessment.
7. **Amateurism and Olympic award policies**. NCAA Vice President of Academic and Membership Affairs Dave Schnase provided an informational report to the Governors on NCAA legislation in the three divisions as it relates to various amateurism issues. The Governors raised the question of whether there should be a larger philosophical discussion on amateurism generally and what that would look like in the context of intercollegiate athletics. Based upon a privileged discussion led by Donald Remy, Chair Peterson agreed that the Board of Governors Executive Committee conduct a preliminary discussion of the issue in the context of ongoing threat and litigation, and return to the full group with a plan for moving forward.
8. **Championships and alliances update**.
  - a. NCAA championships pilot on serving alcoholic beverages. During its January 2016 meeting, the Board of Governors approved the creation of a pilot program to monitor the legal sale or provision of beer and wine at the Division I men's and women's College World Series. The Division I Board of Directors followed by issuing a waiver to ensure that the pilot program could be effectuated consistent with the division's legislative requirements. NCAA Interim Executive Vice President of Championships and Alliances Joni Comstock presented the Governors with data gathered through feedback from participants and attendees at both championships. The data gathered was positive and indicated that the pilot was successful. The staff recommended the Governors approve continuing the program for beer and wine sales for the following championships through the 2016-17 academic year:

- (1) College World Series.
- (2) Women's College World Series.
- (3) Division I FCS Football Championship.
- (4) Division I, II and III Men's Lacrosse Championships.
- (5) Division I Women's Lacrosse Championship.

In addition, that the recommendation be forwarded to the Division I Board of Directors and the Divisions II and III Presidents Councils to issue a waiver or to pursue other appropriate legislative measures to ensure the pilot program is effectuated consistent with the divisions' legislative requirements.

It was VOTED.

“That the Governors approve the recommendation to expand the pilot program by adding three championships and to refer the issue to the three divisional presidential bodies for action.” (For 14, Against 1, Abstain 0)

- b. Championship hosting update. Comstock informed the Governors of the new locations for the championships that were moved out of the state of North Carolina based on the group's September action to prohibit the hosting of NCAA sponsored championships at predetermined sites in the state of North Carolina.

## **9. Law, policy and governance strategic discussion.**

- a. Legal report and settlement discussion. NCAA Executive Vice President Donald Remy provided a privileged and confidential briefing and facilitated dialogue on current litigation.
- b. Government relations. Remy noted that the Governors received an informational written report on government relations and that no action was necessary.
- c. Sport Science Institute. NCAA Director of Sport Science Institute John Parsons provided an update on the strategic priorities of the Sport 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.

- 10. Regulatory affairs update.** NCAA Executive Vice President of Regulatory Affairs Oliver Luck reminded the Governors that new initial-eligibility standards for Division I became effective August 1, 2016, and reported that concerns about any disparate impact regarding student-athletes' eligibility to compete appear to be negligible at this point in time. With regard to enforcement,

Luck noted that recruiting violations and academic fraud are two areas in which many of the recent infractions issues reside. Luck also referenced the first-, second- and third-level priorities of the regulatory departments at the NCAA national office and the progress to date on those priorities.

#### **11. NCAA Board of Governors Finance and Audit Committee report.**

- a. Year-End financial update.** Finance and Audit Committee chair, Chancellor Philip DiStefano reported that the NCAA is near the end of the FY16 financial audit, which is being conducted by Deloitte. DiStefano noted that at this point, there are no issues that would lead to anything but an unqualified opinion. The final financial statements will be provided to the Board of Governors in January.
- b. NCAA Operating Reserve and Investment Policy.** Kathleen McNeely reviewed the renamed and revised NCAA Operating Reserve and Investment Policy that was approved by the Board of Governors Finance and Audit Committee Investment Subcommittee in August 2016. The revisions included the elimination of the quasi endowment fund and an increase in the minimum requirement for operating reserves from four to six months of budgeted operating expenses.

It was VOTED

“That the Board of Governors approve the NCAA Operating and Reserve Investment Policy as revised.” (Unanimous vote.)

- c. NCAA Division I values-based revenue distribution working group update.** Chancellor DiStefano presented the final report of the Division I Values-Based Revenue Distribution Working Group, which included the following five recommendations:
  - (1) Amend the revenue distribution principles to more specifically incorporate the division’s core values, including academic achievement, athletics excellence, diversity and inclusion, fairness and integrity, student-athlete support and broad-based opportunities, and health and safety.
  - (2) Simplify the way the distributions are administered to increase efficiencies and benefit member institutions and conferences without changing the actual distribution calculations.
  - (3) Make no change to the men’s basketball distribution calculation, but brand the 32 automatic qualification unit portion to acknowledge that these are equally distributed revenues that provide financial resources for all Division I member institutions rather than funds earned through men’s basketball tournament victories.
  - (4) Create a new “academic unit,” or academics-based distribution, beginning in 2019-20 using a portion of the annual growth in future years of the NCAA’s media rights agreement.

- (5) Develop a communications plan to help the membership, media and public better understand how Division I revenue distribution aligns with the NCAA core values.

It was VOTED

“That the Board of Governors approve the five recommendations presented by the Division I Values-Based Revenue Distribution Working Group, contingent upon consistent action by the Division I Board of Directors at its October meeting.”  
(Unanimous vote)

**12. Board of Governors Executive Committee report.** President Peterson noted that the Executive Committee met earlier in the day and discussed a variety of topics, including how and when the Association will engage in broad societal issues that have an Association-wide impact. Peterson noted that the Board of Governors has been given clear authority from the membership to act in this space and to provide policy regarding the conduct of championships. The Executive Committee recommended that the Governors instruct staff to develop policies and protocols for action and report back to the Executive Committee for review.

**13. Board of Governors ad hoc committee reports.**

**a. Board of Governors Commission to Combat Campus Sexual Violence.** Lieutenant General Robert Caslen and NCAA chief of Staff Cari Van Senus provided an update on the commission’s October 25, 2016, meeting. Lieutenant General Caslen informed the Governors of the five primary areas in which the commission will examine the issue of campus sexual violence:

- (1) Within the context of the overall campus community, define the role of the athletics department, conference and national Association in comprehensive sexual violence prevention education and advocating for victims and survivors.
- (2) Advance the discussion on how portions of the 2014 Executive Committee resolution could be considered for NCAA legislation in furtherance of the Board of Governors August vote to request that each of the divisions consider passage of consistent legislation that place in to NCAA bylaws expectations from the resolution.
- (3) Evaluate existing NCAA resources and come to consensus on the educational path forward, including ways to achieve aspirational behavior and cultural change and building on current institutional, community and national resources and tool kits.
- (4) Identify a common language that may be used across the membership and higher education on sexual violence.
- (5) Explore the larger questions around institutional and individual accountability (for example, eligibility for intercollegiate participation, following established policies and procedures).

- b. Ad Hoc Committee to Promote Cultural Diversity and Equity.** NCAA Chief Inclusion Officer Bernard Franklin updated the Governors on the status of the signing of the Pledge and Commitment to Promoting Diversity and Gender Equity in Intercollegiate Athletics. Franklin also requested that the Governors approve the recommendation of the ad hoc committee to create a standing committee to carry on the charge of the ad hoc committee, citing the importance of the work and the need for proactive and high-level leadership related to these matters.

It was VOTED.

“That the recommendation to create a standing committee be approved.” (Unanimous vote.)

- c. Ad Hoc Committee on Board of Governors Structure and Composition.** President Peterson reminded the Governors that during its last meeting, each of the three divisions was charged with examining the responsibilities of the Board of Governors in concert with issues of composition and report back to the Board of Governors Ad Hoc Committee on Composition. Peterson noted that each division has been dutifully engaged in that process and the Ad Hoc Committee will be meeting soon to discuss input from the three divisions.
- 14. Executive session.** The Governors concluded its meeting in executive session to discuss various administrative matters.
- 15. Adjournment.** The meeting was adjourned at approximately 6 p.m.
- 16. Future meeting dates.**
- a. January 18, 2017, Nashville, TN (in conjunction with the NCAA Convention).
  - b. April 25, 2017, NCAA national office.
  - c. August 8, 2017, NCAA national office.
  - d. October 24, 2017, University of California, Los Angeles, Los Angeles, California.

*Board of Governors chair: Bud Peterson, president of Georgia Institute of Technology.*

*Staff liaisons: Donald M. Remy, law, policy and governance.*

<b>Attendees- Board of Governors Only</b>	<b>Absentees</b>
Eli Capilouto, University of Kentucky LTG. Robert Caslen, Jr., United States Military Academy Alan Cureton, University of Northwestern Philip DiStefano, University of Colorado, Boulder Mark Emmert, NCAA Dianne Harrison, California State University, Northridge John Hitt, University of Central Florida Glendell Jones, Jr., Henderson State University Eric Kaler, University of Minnesota, Twin Cities Steven Leath, Iowa State University L. Jay Lemons, Susquehanna University Roderick McDavis, Ohio University Jacqie McWilliams, Central Intercollegiate Athletic Association Bud Peterson, Georgia Institute of Technology Jim Phillips, Northwestern University Tracey Ranieri, State University of New York, Oneonta Joseph Savoie, University of Louisiana, Lafayette Steve Scott, Pittsburg State University Samuel Stanley, Stony Brook University	Baker Pattillo, Stephen F. Austin State University
<b>Other Participants</b>	
Scott Bearby, NCAA staff Greg Boylan, United States Military Academy Jacqueline Campbell, George Mason University Dan Dutcher, NCAA staff Kimberly Fort, NCAA staff Bernard Franklin, NCAA staff Terri Steeb Gronau, NCAA staff Brian Hendrickson, NCAA staff Terry "Neal" Hilderbrand, U.S. Military Academy Kevin Lennon, NCAA staff Oliver Luck, NCAA staff Kathleen McNeely, NCAA staff Donald M. Remy, NCAA staff Cari Van Sensus, NCAA staff Dave Schnase, NCAA staff	

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