

**BOARD OF REGENTS
BRIEFING PAPER**

1. AGENDA ITEM TITLE: Handbook Revision, Intercollegiate Athletics (Title 4, Chapter 24, Section 1)

MEETING DATE: March 5 – 6, 2020

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Pursuant to the NSHE Regents' Handbook Title 4, Chapter 24 et. seq., on an annual basis, the Board requests that Intercollegiate Athletics submit an annual report during the second quarter of the fiscal year.

Upon the recommendation of the Board, a review of the fiscal procedures was requested to standardize reporting and consider the timing of the annual report.

Attached hereto is a reference document providing detailed background in support of this recommendation.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Board is to review and, if appropriate, approve the submitted new procedures and guidelines to the Board of Regents Handbook Title 4, Chapter 24, Section 1 Intercollegiate Athletics.

4. IMPETUS (WHY NOW?):

The Board has oversight authority and responsibility for the long-term management of institution athletic programs.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- Access (Increase participation in post-secondary education)
- Success (Increase student success)
- Close the Achievement Gap (Close the achievement gap among underserved student populations)
- Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

N/A

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Changes the submission date of the annual report to after the date the NCAA report is filed. This will allow the Board to receive the final report instead of a draft.
- Improves the efficiency of preparing the reports.
- Improves the effectiveness of the information being provide.
- Adds language requiring detail expenditure detail.
- Adds language that requires sources and uses of institutional support be described

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The Board may deem the changes excessive or not comprehensive.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Board may direct Institutions to remove or include additional financial data and metrics.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

The Chancellor's office recommends adopting the changes to the policy. The policies and procedures are being presented to the Board for review and approval.

10. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # ___ Chapter # ___ Section # ___
- Amends Current Board Policy: Title # 4 Chapter # 24 Section # 9
- Amends Current Procedures & Guidelines Manual: Chapter # ___ Section # ___

<input type="checkbox"/> Other: _____
<input type="checkbox"/> Fiscal Impact: Yes _____ No <u> X </u>
Explain: _____

POLICY PROPOSAL
TITLE 4, CHAPTER 24, SECTION 1
NSHE Intercollegiate Athletics

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 1. Policies Concerning NSHE Intercollegiate Athletics

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9. Board of Regents Reports

- a. At a meeting of the Board during the ***third*** [~~second~~] quarter of each fiscal year, the Board shall conduct a complete review of the athletic department budget, mission statement, and five-year strategic plan (the "Annual Report"). Budget information must include detailed reporting on [~~budget to~~]actuals for the prior five years, and revenue and expense projections for the current year and upcoming four years.
- b. The Annual Report shall also include the following:
 - i. A summary of the athletic, community, and academic success of the athletic department, including, the current and rolling four-year NCAA Academic Progress Rate (APR) for each team (or any equivalent NJCAA measurement);
 - ii. Information on the number of special admissions for student-athletes compared with the rest of the student body, declared majors of student-athletes and graduation rates of athletes, including, the current NCAA Graduation Success Rate (GSR) for each team (or any equivalent NJCAA measurement);
 - iii. A statement demonstrating a balanced budget for the institution's athletic department (the "Balanced Budget Statement"). The Balanced Budget Statement shall include ***itemized sources and uses of funds, including direct and indirect institutional support and other fiscal information requested by the Chancellor, in a format agreed to and approved by the NSHE Finance Department in consultation with the institution Chief Financial Officers.*** [~~the following revenue categories: (1) ticket sales, sponsorships, concessions and other sources of revenue derived from the operations of the of the athletic department (the "Internal Revenues"); (2) funds provided by students though any fees or portion of any student fees received by the athletic department (the "Student Revenues"); (3) gifts and grants used to support or subsidize the operations of the athletic department (the "Gift Revenues"); (4) other institutional funds used to support the operations of the athletic department (the "Institutional Revenues"). The Balanced Budget Statement shall only include Gift Revenues that are in the possession of the institution or based on legally enforceable pledges or gift agreements. The Balanced Budget Statement shall only include and rely upon Institution Revenues that the Board, as part of an approved plan, has authorized the institution to utilize for support of the athletic department budget.~~] ***The Board will review the Balanced Budget Statement to determine whether the athletic department is based on a sustainable financial model.*** [~~The Balanced Budget Statement will be utilized by the Board of Regents to determine the extent to which the athletic department budget is based on a sustainable financial model. To the extent that the] ***If***~~

the athletic department budget is not based on a sustainable financial model, the Balanced Budget Statement shall include a detailed plan to achieve a sustainable financial model in future years. **The Board shall hold the President responsible for the Balanced Budget Statement and plans to achieve a sustainable athletic budget.** [~~The President shall be held responsible by the Board of Regents for the Balanced Budget Statement and the plan to achieve a sustainable athletic budget, and failure to comply shall be cause for disciplinary action against the President.~~]

- iv. A [~~draft~~] copy of the Statement of Revenues and Expenditures that will be filed with the NCAA in January for the prior fiscal year (or any equivalent report filed with the NJCAA);
 - v. A copy of the most recent Equity in Athletics Disclosure Act report filed with the United States Department of Education;
 - vi. A description of the internal controls of the respective athletics department and whether an audit or periodic risk assessment was conducted by institution or NSHE internal audit staff during the previous year;
 - vii. A summary of athletic related capital expenditures from all sources, including but not limited to, gifts, state Capital Improvement Projects and bonds, and athletic department reserves.
 - viii. Information on diversity and equal opportunity in the hiring of athletic department coaches and compliance with applicable institution and Board policies related thereto, including, the methods used to obtain diverse applicant pools;
 - ix. A summary of the fundraising activities of the department for the previous year;
 - x. An accounting of any donor or third-party funds included in any Funds Disclosure issued pursuant to Section 1.10.d of this Chapter but not received by the institution; and
 - xi. A summary of self-reported and other Level 3 and 4 violations for the previous year as reported to the NCAA, along with any NCAA or conference responses (or any equivalent report or summary filed with the NJCAA).
- c. Institutions shall immediately report to the Board any notice of allegation(s) received from the NCAA relating to Level 1 and 2 violations, or any equivalent NJCAA violations (a "Major Violation Report"). Major Violation Reports shall be addressed to the Chancellor and Chief of Staff of the Board of Regents and include (a) a summary of the alleged violation(s), (b) the institution's plan for addressing the alleged violation(s), and (c) whether the institution intends to request a hearing or other administrative review of the alleged violation(s), and the grounds for any such hearing or review.

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