

BOARD OF REGENTS
BRIEFING PAPER

- 1. Agenda Item Title: Handbook Revision: Athletic Department Reporting Requirements**
Meeting Date: November 27, 2017 meeting of the Athletics Committee

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

At the last meeting of the Athletics Committee, Chair Moran requested that System and institutional staff review the list of athletic department related reports that are examined by the Committee throughout the year, including the Annual Report, and determine if improvements could be made to content and timing of those reports.

The attached policy proposal was developed in consultation with the institution athletic directors and makes various improvements to the athletic department reporting requirements found in the *Board of Regents' Handbook*. This policy proposal consolidates into a single comprehensive report information that is currently provided throughout the year in several different reports. This single comprehensive report (the Annual Report) will allow the Committee to be more efficient and effective and exercise appropriate oversight over institutional athletics. Each athletic department Annual Report will be presented to the Committee at the second meeting after the beginning of each fiscal year (November/December). This schedule allows the athletic departments to present accurate budget information – including five-year budget-to-actual and revenue/expense projections for the current year.

This policy proposal also modernizes some of the existing reporting requirements; for example, by specifying that the athletic departments report the NCAA Academic Progress Rates (both annual and rolling four-year averages), and NCAA Graduation Success Rates for each team.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

That the Board review, discuss and approve the attached policy proposal revising the athletic department reporting requirements set forth in Title 4, Chapter 24, Section 1 of the *Board of Regents' Handbook*.

4. IMPETUS (WHY NOW?):

At the last meeting of the Athletics Committee, a request was made that System and institutional staff review the list of athletic department related reporting requirements set forth in Title 4, Chapter 24, Section 1 of the Handbook and determine if improvements could be made to those requirements.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Consolidating the various athletic department reporting requirements into a single comprehensive report will allow the Committee to be more efficient and effective and exercise appropriate oversight over institutional athletics.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- No changes to the current policies governing athletic department reporting are necessary. The Committee reviews the various reports throughout the year which provided multiple opportunities for review and oversight.

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

- None – do not approve this policy proposal and allow the current athletic department reporting requirements and schedule to remain.

8. COMPLIANCE WITH BOARD POLICY:

<input type="checkbox"/> Consistent With Current Board Policy: Title #_____ Chapter #_____ Section #_____
<input type="checkbox"/> Amends Current Board Policy: Title 4, Chapter 24, Section 1_____
<input type="checkbox"/> Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____
<input type="checkbox"/> Other:_____
<input type="checkbox"/> Fiscal Impact: None. Explain:_____

POLICY PROPOSAL - HANDBOOK
TITLE 4, CHAPTER 24, SECTION 1

Making various changes to the Board's policies concerning athletics, including the requirements for the athletic department annual report set forth in subsection 9.

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

Section 1. Policies Concerning NSHE Intercollegiate Athletics

The Board of Regents encourages the development of intercollegiate athletic programs at the NSHE institutions consistent with their institutional mission and goals. The goal of the NSHE shall be to provide for student competition in intercollegiate sports appropriate to the universities, colleges and their conferences, to fiscal resources available, and to sound standards of student academic performance. Every intercollegiate athletic program shall comply with all applicable rules and regulations of the National Collegiate Athletic Association (NCAA), the National Junior College Athletic Association (NJCAA) and other organizations and conferences in which each is member.

Intercollegiate Athletics programs are intended to protect and enhance both the educational and physical welfare of student-athletes. Intercollegiate athletic programs shall seek to support and develop each participating student's academic and athletic talents, and shall seek to assure that the student athlete, as a student in an academic setting, achieves scholastically to the best of his or her capabilities. During recruitment activities, this policy shall be made known to potential men and women student athletes. Intercollegiate sports shall be viewed as an important component of the university, state college, college community, and of individual development.

The goals identified in support of the institutions' athletic mission statements include:

- A. In recognition of the importance of academics in maintaining the integrity of athletic programs, the universities and colleges will emphasize and ensure progress towards graduation by establishing and enforcing academic standards and developing a support system to increase the academic success of student-athletics;
- B. An Intercollegiate Athletic Council (IAC), organized in conformity with NCAA or NJCAA rules and regulations, as applicable, shall be established and maintained by each university and every college engaged in Intercollegiate Athletics. The IAC will serve as an advisory committee reporting to the institution President;
- C. Each director of athletics and all coaches recognize the necessity for funding for athletic programs and the necessity to assist in this process. Funding for athletics

may be provided by both public and private sources. Each institution shall be responsible for the proper disclosure, accounting, control and administration of all funds; and

- D. Each institution is accountable to the Board of Regents, as it is the Board of Regents which maintains the ultimate responsibility for all contractual obligations and implementation of the goals contained in the Intercollegiate Athletics Policies and Mission Statement.

1. Board of Regents Oversight

- a. The Board of Regents carries out its responsibility for oversight of all NSHE Intercollegiate Athletics through the institutional Presidents and through periodic reports set forth in this Chapter 24 or as otherwise specified by the Board.
- b. Any change by an NSHE institution in its athletic conference membership requiring an NSHE institution to vote on approval shall be approved by the Board on recommendation of the President and Chancellor with full consideration of all factors to include student competition in intercollegiate sports appropriate to the institution, fiscal resources available, and sound standards of student academic performance.
- c. The Board and each President shall ensure that standards of accountability and benchmarks against which to measure the success of each institution's Intercollegiate Athletics programs are established and reported annually to the Board.

2. Institutional Control.

- a. The Board of Regents charges the institution and the President of each institution with the responsibility for the conduct and control of intercollegiate programs and activities. The President is accountable for exercising ultimate responsibility for the conduct and control of the Athletics Department, including all personnel decisions (hiring, firing and compensation), corporate partnerships, television contracts, booster clubs, and affiliated organizations, including its private fundraising efforts.
- b. Each institution and its employees shall comply with all applicable rules and regulations of the NCAA, the NJCAA and other organizations and athletics conferences in which each is a member. Each institution shall regularly engage in self-study, which monitors Intercollegiate Athletics programs to assure compliance with such rules. Each institution shall identify, and report to the appropriate organization, instances in which compliance has not been achieved. Each institution will cooperate fully with the NCAA, the NJCAA and athletic conferences, as applicable, in investigating instances of noncompliance and will promptly take appropriate disciplinary and remedial action.

- c. Compliance programs will be enforced by a compliance officer who shall report to, and serve within the office of the President of each institution. Institutions are encouraged to impose more stringent policies and rules when, in the judgment of the institution, such policies and rules are necessary.

3. Academic and Athletic Standards.
 - a. Intercollegiate Athletics programs shall be an integral part of the educational program of each institution and student-athletes shall be an integral part of each student body. Policies and standards concerning the admission, academic standing and academic progress of student-athletes shall be consistent with policies and standards adopted for each student body generally. Each institution must establish policies concerning class time, assignments, tests and final examinations that are missed by student-athletes due to participation in officially sponsored intercollegiate athletic events.
 - b. Student-athletes are representatives of the institution. Student-athletes shall comport themselves with honesty and good sportsmanship, in compliance with all applicable NCAA, NJCAA, conference, and university rules and regulations, as applicable, and in accordance with all such rules and laws regulating gaming. Their behavior shall reflect the high standards of honor and dignity that characterize participation in intercollegiate activities.
 - c. Minimum Academic Requirements for Continuing Eligibility of Student Athletes. Students enrolled in any NSHE institution must meet all applicable NCAA or NJCAA academic requirements, as applicable, to be eligible for intercollegiate competition, as well as any additional academic requirements established by the institution.

4. Review of Intercollegiate Programs. The institution shall be responsible for reviewing and evaluating, on a regular basis, financial, academic, and managerial aspects of the athletics program. All expenditures for or on behalf of an institution that is a Division I member of the NCAA, including expenditures made by any outside organization, agency, or group, shall be subject to an annual [~~financial audit, in addition to regular audits~~] **evaluation**, in a form approved by the NCAA, conducted for the institution by a [~~qualified auditor~~] **independent accountant** who is not a staff member of the institution and who is selected either by the institution's President or by an institutional administrator from outside the Department of Intercollegiate Athletics designated by the President. Corresponding provisions shall apply to an NJCAA institution member.

5. Fiscal and Budgetary Control. The President shall be responsible for the proper accounting and administration of all funds, services, and gifts in-kind received and expended on Intercollegiate Athletics.

a. Gifts

All gifts must be accepted and approved by the Board of Regents in compliance with the provisions of Title 4, Chapter 10, Section 9 of the Board of Regents Handbook. The use of gift monies accepted and approved by the Board on behalf of the Athletic Department will be determined by the institutional President and athletic director, with the exception of gifts specifically restricted by the donor.

b. Interest Income

The use of interest income generated from surplus operating capital of the Athletic Department will be determined by the institutional President and athletic director.

c. Compensation

Compensation to athletic department personnel shall be approved by the President and awarded through proper institutional channels. Employees receiving compensation for outside professional services will comply with provisions of Title 4, Chapter 3 of the Board of Regents' Handbook. The contracts of coaches in Departments of Intercollegiate Athletics shall provide that coaches found by the institution to have committed violations of NCAA or NJCAA rules, as applicable, will be subject to actions as provided by NCAA or NJCAA enforcement provisions. Contracts shall also provide that all coaches, full-time and part-time, must report annually to the institution all athletically related income.

d. Revenue

Revenues received in the current fiscal year for services or goods to be provided in a future fiscal year may not be used in the current year except with Board approval.

~~e. — Balanced Budget~~

~~On an annual basis, each President shall provide to the Board of Regents a statement demonstrating a balanced budget for the institution's athletic department (the "Balanced Budget Statement"). The Balanced Budget Statement shall be certified by the President and shall include the following revenue categories: (1) ticket sales, sponsorships, concessions and other sources of revenue derived from the operations of the athletic department (the "Internal Revenues"); (2) funds provided by students through any fees or portion of any student fees received by the athletic department (the "Student Revenues"); (3) gifts or grants used to support or subsidize the operations of the athletic department (the "Gift Revenues"); and (4) other institution funds used to support the operations of the athletic department (the "Institution 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 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 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 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.]~~

[~~f~~]e. Boosters

- (1) Each institution shall be responsible for identifying, and monitoring the activities of, individuals and groups representing the institution's athletics interests, i.e., boosters to assure compliance with applicable NCAA, NJCAA, conference, and institutional rules, regulations and guidelines, as applicable. Each institution shall provide comprehensive orientation and educational programs concerning NCAA, NJCAA, conference, and institutional rules and regulations, as applicable, to persons or groups identified with the institution's athletics interests. The Board shall approve the defined operating relationship between individuals and groups representing the institution's athletics interests and each institution. All changes in the duties and responsibilities of each party must be approved by the Board.
- (2) As a condition of the purchase of season tickets or other admissions to the institution's Intercollegiate Athletics events, or as a condition of membership in booster clubs, all individuals or groups representing each institution's athletics interests, i.e., boosters, are expected and required to cooperate fully in the institution's efforts to comply with NCAA, NJCAA and conference bylaws, rules and regulations, as applicable, including without limitation cooperating fully in all investigations of possible violations of such rules. Any individual or group found to have committed violations of NCAA, NJCAA or conference rules and regulations, as applicable, or failing to cooperate fully in the institution's compliance efforts shall be subject to disassociation from the institution's athletics interests and immediate termination of all further participation in the institution's athletics programs, including without limitation the purchase of season tickets or other admissions to the institution's athletics events or the revocation or cancellation of the purchase of season tickets or other admissions to the institution's athletics events. If the purchase of season tickets or other admissions to the institution's athletics events is revoked or canceled, the purchase price paid for any unused tickets or admissions shall be repaid to the purchaser.

6. Student Participation.
 - a. Participation in all men's and women's sports shall be encouraged for all students with the interest and ability. Each institution shall make a commitment to provide equitable financial and managerial support for programs of quality in sports for both men and women and in both revenue and non-revenue producing categories.
 - b. The institutions are encouraged to recruit student athletes within the state of Nevada and seek their participation in intercollegiate sports.

7. Planning. Five-year plans for each institution shall be developed and implemented for Intercollegiate Athletics.

8. Policy and Procedures Manual. Each institution shall develop and utilize a policy and procedures manual concerning intercollegiate athletic operations.

9. Board of Regents Reports
 - a. At the [~~first~~] **second** regular Board meeting after the beginning of each new 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-actual 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);***
 - [i]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);***
 - [ii]iii. [~~The Balanced Budget Statement described in Section 1.5.e of this Chapter and a description of how the growth of the athletic department budget compares to the growth of the budget for the institution as a whole;~~] ***A statement demonstrating a balanced budget for the institution's athletic department (the "Balanced Budget Statement"). The Balanced Budget Statement shall include 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”); and (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 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 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 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;*
- ~~[iii]~~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;
- ~~[iv]~~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;
- ~~[v]~~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;
- ~~[vi]~~ix. A summary of the fundraising activities of the department for the previous year; ~~[and]~~
- ~~[vii]~~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. [~~The Board shall review the following reports, or any successor reports, as they are prepared throughout the year:~~

~~i. The annual Equity in Athletics Disclosure Act report to the United States Department of Education filed on or about October 15th;~~

~~ii. The annual Statement of Revenues and Expenditures filed with the NCAA on or about January 31st;~~

~~iii. The annual summary of self-reported and other reported Level 3 and 4 violations and corrective actions, along with conference and NCAA responses filed on or about July 15th;~~

~~iv. All reports of Level 1 and 2 violations when they occur, with follow-up communications on conference and NCAA actions; and~~

~~v. Any corresponding NJCAA reports.]~~

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.