

MEMORANDUM

March 11, 2003

TO: Chief Executive Officers]
Faculty Athletics Representatives]
Directors of Athletics] of NCAA Division I Institutions
Senior Woman Administrators]
Compliance Coordinators]
NCAA Division I Conference Commissioners.

FROM: Todd Turner, chair
NCAA Division I Management Council Working Group on
Incentives/Disincentives.

SUBJECT: Feedback on Division I Framework Related to an Incentives and Disincentives Structure.

As you may be aware, as a component of the academic reform package, the NCAA Division I Board of Directors instructed that a system of incentives and disincentives be developed that rewards those sports teams that do well academically and penalizes those that do not. I have been asked to chair a Division I working group that has been charged with helping the Board develop such a system, and the attached "white paper" is our first attempt at capturing the framework and critical issues that need to be considered in developing an incentives and disincentives structure.

This working document is being sent to you in an effort to solicit your feedback on the concept. I know that each Division I conference office has been encouraged to discuss incentives and disincentives during its upcoming spring and summer meetings, and it is our hope that these materials will help facilitate that discussion.

We have also sent a copy of the materials to the professional organizations (e.g., National Association of Basketball Coaches, Women's Basketball Coaches Association) so that they can share it with their memberships.

Comments and questions should be sent to Kevin Lennon, NCAA vice-president for membership services and staff liaison with the working group. Mr. Lennon can be reached at klennon@ncaa.org or 317-917-6222.

We look forward to hearing from you.

TT:lga

Attachments

cc: Selected Professional Association
Selected NCAA Staff Members

NCAA Division I Framework Related To an Incentives and Disincentives Structure

[Note: This working document is intended to stimulate discussion in the Division I membership and reflects the work to date of the NCAA Division I Management Council Working Group on Incentives/Disincentives. Comments and questions are encouraged and may be sent to Kevin Lennon, NCAA vice-president for membership services (klennon@ncaa.org). The attachments to this document will provide you with the proposed timeline for the review, adoption and implementation of the incentives and disincentives structure.]

In its April 2002 resolution outlining the academic reform package, the NCAA Division I Board of Directors instructed that a system of incentives and disincentives be developed that rewards those sports teams that do well academically and penalizes those that do not. The following attempts to capture conceptually the framework and critical issues to be considered in developing an incentives and disincentives structure.

In order for an incentives and disincentives structure to be meaningful, it must be directly tied to the "benefits" of the Association. For those sports teams and athletics programs that perform at an acceptable level academically, the assets can be realized; for those sports teams and athletics programs that perform at an unacceptable level academically, those assets would be denied or restricted. While not an exhaustive list, the "assets" currently being discussed include access to: (1) postseason competition; (2) a full array of athletics scholarships; and (3) NCAA revenues.

Several key principles have emerged when discussing the incentives and disincentives structure:

1. The goal should be, first and foremost, to encourage improved academic performance of all student-athletes on all sports teams so the mission of the NCAA and the commitment to our student-athletes can be better realized.
2. The structure must appropriately reward institutions and sports teams that achieve significant academic success while penalizing those that have a demonstrated history of academic underachievement. The disincentive program should be targeted at the "habitual" offenders. Conversely, only those institutions performing at a significantly high rate academically [as demonstrated by their annual academic progress rate (AAPR)¹, overall student-athlete graduation rate or sports team graduation rate] should be rewarded.
3. All Division I athletics programs and sports teams should be subject to the incentives/disincentives structure.
4. The incentives and disincentives structure must be fair and credible.
5. The incentives and disincentives structure should be as straightforward and understandable as possible.

¹ The methodology of the AAPR is currently being developed. A pilot study is underway to help determine which "model" would be most effective in assessing annual academic performance. Specific recommendations on the AAPR will be forwarded to the membership in May 2003.

Incentives/Disincentives: Impact on Student-Athletes, Sports Teams and Athletics Programs

It is envisioned that a series of incentives and disincentives might be applied at three levels: individual student-athletes, sports teams and athletics programs.

Student-Athlete:

The NCAA has long maintained a system of incentives and disincentives for student-athletes. If a student-athlete meets the eligibility requirements, he or she is eligible for competition; conversely, if the student-athlete fails to meet the eligibility standards, he or she is ineligible for competition. Similarly, if a nonqualifier or partial qualifier completes his or her undergraduate degree in four years, the student is granted a fourth of season of competition.

The recently adopted progress-toward-degree requirements will reinforce the concept of maintaining eligibility as an incentive to graduate, as the new yearly academic requirements help assure a student's progress toward (and attainment of) an undergraduate degree within five years.

The working group is considering the implications of permitting student-athletes to "earn" a fifth season of competition based on academic performance.

Sport Teams

The current system of incentives/disincentives rewards sports teams solely for their success on the competitive field. The new incentives/disincentives structure is intended to include academic performance as a meaningful component in a reward and penalty structure. It is envisioned that the first level of incentives/disincentives should be directed at specific sports programs so that the impact of the rewards or penalties is felt by the identified sports team. The structure should identify those sports teams that are overachieving and underachieving academically and recognize them appropriately.

Athletics Programs

In some instances, an athletics program (as measured by including the academic success of all its sports teams) may be under-performing prolifically; if so, program-wide penalties may be considered. Conversely, some athletic programs may be performing exceptionally academically, and appropriate incentives should be applied to the entire athletics program.

Evaluating a Team's Academic Success

The incentives and disincentives should be tied to meaningful measures of academic performance. Such measures of academic performance may involve:

1. Historical data, including an institution's performance as determined by the annual academic progress rate and/or graduation rates data.
2. Contemporaneous data ("real-time"), including the yearly academic progress and retention of student-athletes on a specific sports team.

The incentives and disincentives structure should take into account the various academic missions of our member institutions as reflected in the graduation rate of the student body in general or of the graduation rate of the entire student-athlete population when compared with individual sports teams (e.g., how women's basketball student-athletes compare with the overall student-athlete population). Having said this, any meaningful incentives and disincentives structure must also establish an absolute minimum level of performance that all sports teams must achieve regardless of institutions' differing missions.

As data is gathered from the AAPR pilot study, it will be necessary to assure that the components of the measurement (a combination of eligibility, retention and/or graduation) are appropriate and that the "weights" placed on each reflect the values of the Division I membership. For example, should eligibility be deemed more important (and thus weighted more heavily) than retention?

It is also envisioned that at least three years of AAPR data must be collected for each sport before the full array of penalties would be implemented. Research is being conducted to determine the correlation between specific AAPR rates and projected graduation rates to determine what would constitute an acceptable rate for purposes of an incentive/disincentive structure.

The Division I Board of Directors will ultimately decide the appropriate level or rate of unacceptable academic performance (taking into consideration the institution's mission and an absolute minimum level of acceptable performance) and determine when warnings and ultimately penalties should be applied. The Board will also determine the level of academic performance that should be rewarded.

Proposed Penalty Structure

Historical

It is envisioned that an incremental set of penalties would be established for under-performing sports teams. Institutions would be given an opportunity to rectify academic deficiencies before more significant penalties are levied. It is suggested that each sports team would be provided with a "progress report" that describes the academic performance of the sports team in comparison with all other sports teams in the NCAA, as well as a team-by-team comparison within a sport. Under-performance would trigger a warning (which may be issued at the time of the initial progress report), with possible grant-in-aid reductions to follow and, finally, a restriction to access to postseason competition and membership restrictions.

Contemporaneous

In regard to more contemporaneous penalties, consideration is being given to restricting the time period in which an institution may re-award an athletics grant-in-aid originally awarded to a student-athlete who left an institution and would not have been academically eligible had he or she returned. It is also possible that recruiting restrictions could be applied contemporaneously.

Possible Incentives

Sports teams that perform well academically should be entitled to additional revenue through the NCAA's revenue distribution formula. A series of incentives could be tied to the current NCAA graduation rates calculation, the newly developed AAPR or the real-time academic performance of individual student-athletes. A list of other possible incentives includes the addition of athletics scholarships, recruiting benefits, additional graduate assistants, academic enhancements and a formal public recognition program.

Procedural Issues

Following a warning period, once an institution has been identified for potential disincentives, it should be given an opportunity to respond as to why the penalties should not apply. Included in this response would be a stated plan for improvement in the area(s) identified as deficient. An NCAA Division I governance entity would be responsible for hearing such appeals and reviewing institutions' plans for improvement.

Timeline

In the incentives and disincentives structure, member institutions would be held accountable for the academic performance of all student-athletes during the 2003-04 academic year. Accordingly, institutions will be required to calculate an annual academic progress rate for student-athletes on all sports teams at the conclusion of the 2003-04 academic year. Three years of data will be compiled before any incentives or disincentives would be tied to the historical performance of the annual academic progress rate. It is envisioned that the first progress report will be issued during the fall of 2004 for all member institutions, assessing the previous year of academic performance. A real-time application of the AAPR or other contemporaneous performance indicators could be used to apply sports-specific incentives/disincentives beginning as early as the fall of 2004. Penalties tied to historical application of the AAPR could be administered during the fall of 2006. (See Attachment B noted below for details, including the possibility that AAPR may be calculated for the 2002-03 academic year performance.)

Supporting Documentation

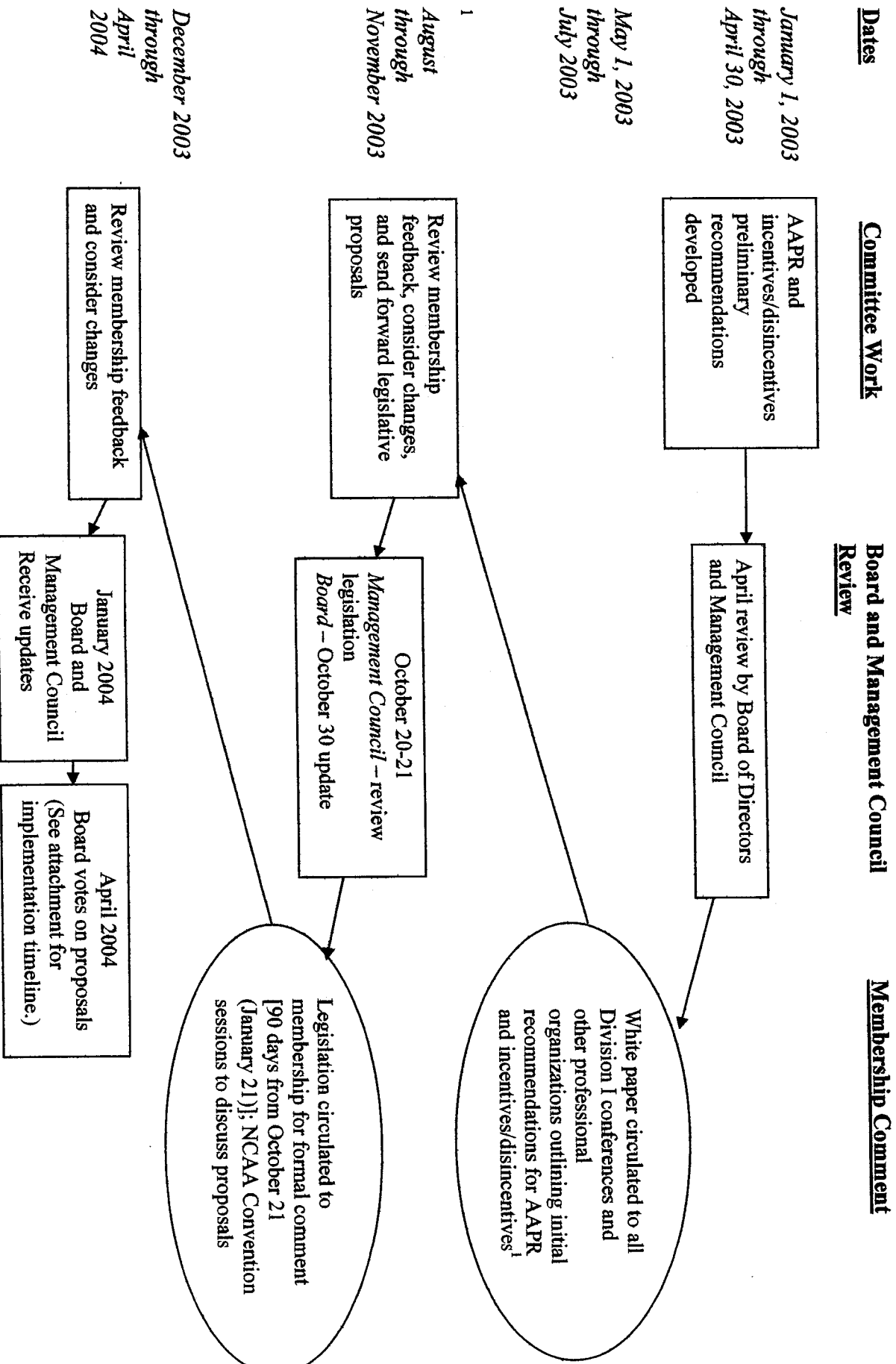
Attachment A – Proposed Timeline for Review and Adoption of AAPR and Incentives/Disincentives

Attachment B – Proposed Timeline for Implementation of Incentives/Disincentives Structure

Attachment C – Suggested Overview of Program

ATTACHMENT A

Suggested Timeline for Review and Adoption of APR and Incentives and Disincentives Structure



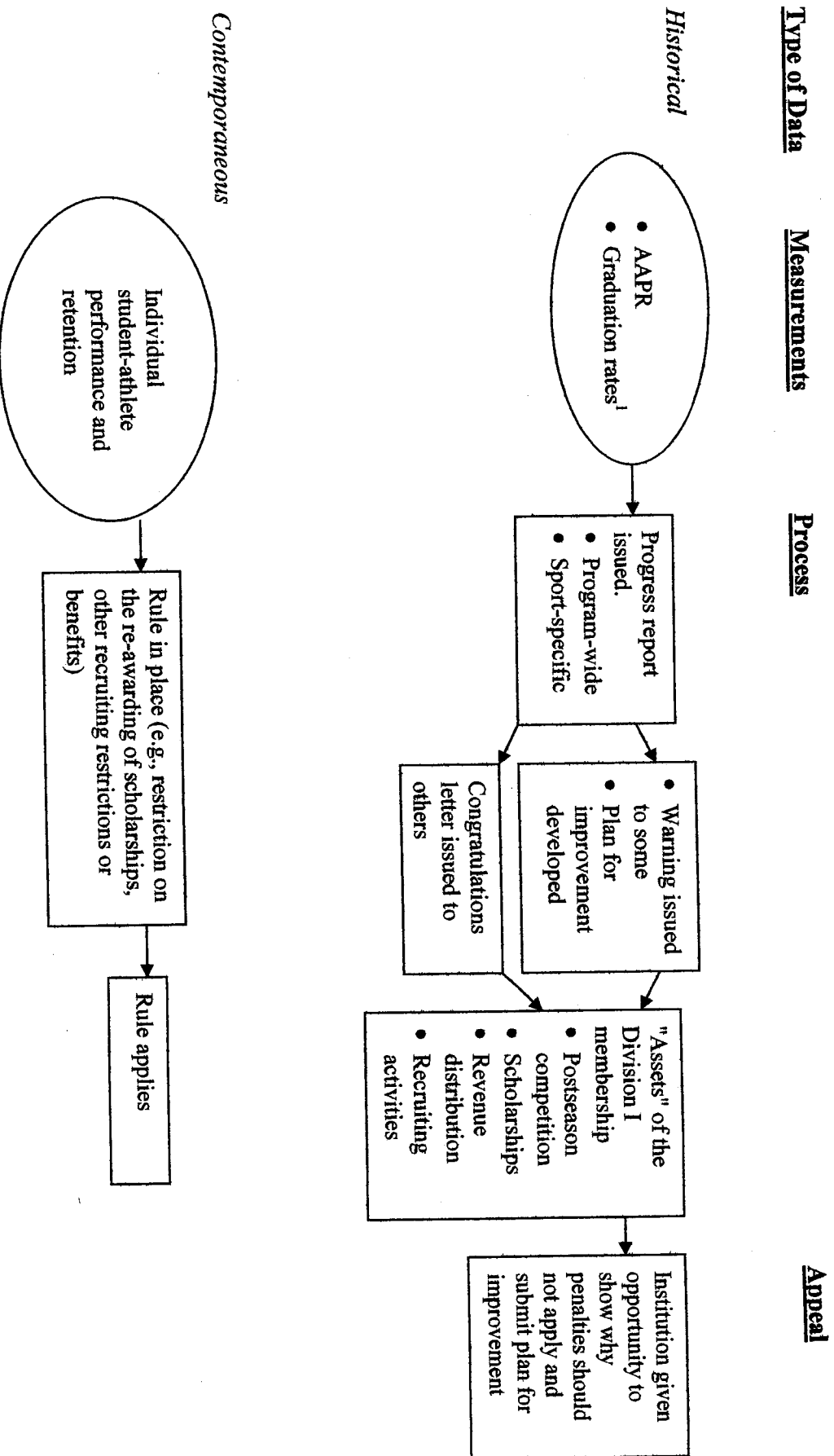
¹ p o the May 1 through July review, an initial draft of the incentives/disinr ves white paper will be circulated to all Division I conferences for feedb

Proposed Timeline for Implementation of Incentives/Disincentives Structure
(Historical and Contemporaneous)

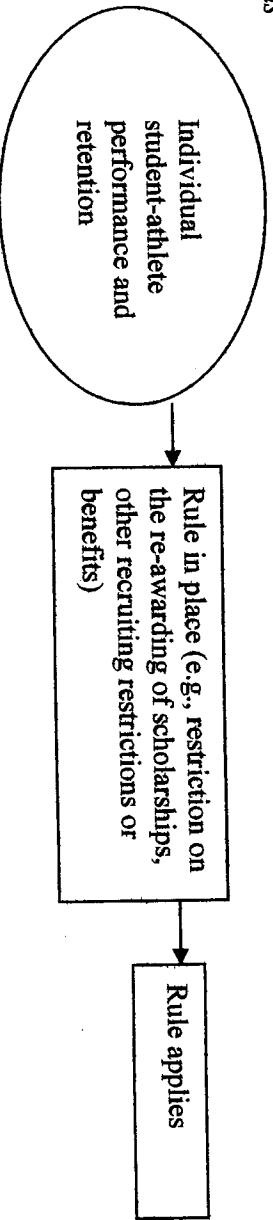
[Note: This timeline assumes that the earliest academic year that schools would be held accountable for the academic performance of student-athletes is the 2003-04 academic year.]

2002-03
All Division I institutions notified (following April 2003 Board and Management Council meetings) that student-athletes' academic performance during 2003-04 will be included in AAPR calculation.
2003-04
Data: Class No. 1
Staff engages in extensive educational effort on AAPR and incentives/disincentives.
2004-05
Data: Class No. 2
Fall 2004 – Progress reports mailed to all Division I institutions based on 2003-04 academic year performance. (Because this includes only one year of AAPR data, the first progress report will not provide sport-specific data; rather, all sports teams will be combined, with the exception that under performing teams and programs will be identified and will receive a "warning.")
Incentives awarded to exemplary programs based on most recent graduation rates data.
Fall 2004 – Institutions subject to contemporaneous incentives/disincentives (e.g., replacement or re-awarding of scholarship).
2005-06
Data: Class No. 3
Fall 2005 – Progress reports to be mailed to all Division I institutions based on 2003-04 and 2004-05 academic years' performance. Program-wide and sports-specific data will be noted for all sports.
Institutions and programs receiving warning letter the previous year are subject to next level of penalties. Required to provide written plan for improvement.
Incentives awarded to exemplary programs based on graduation rates and AAPR performances for 2003-04 and 2004-05.
Fall 2005 – Institutions subject to contemporaneous incentives/disincentives (e.g., replacement of scholarship limitations).
2006-07
Data: Class No. 4
Fall 2006 – Progress reports issued.
FULL IMPLEMENTATION
Institutions subject to complete array of penalties and incentives.
Fall 2006 – Institutions subject to contemporaneous incentives/disincentives (e.g., replacement or re-awarding of scholarship).

Incentives/Disincentives
(Overview)



Contemporaneous



¹ - Tied to incentive structure