



**Analysis and Assessment of NCAA Divisional
Reclassification**

February 2022



The
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Group

Intercollegiate Athletics Consulting
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UNIVERSITY OF SOUTHERN INDIANA
ATHLETICS PROGRAM
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Process and Approach

The PICTOR Group (TPG) was engaged by the University of Southern Indiana (USI) to assist with an *Analysis and Assessment of NCAA Divisional Classification* of the athletics program. This included an objective evaluation of the feasibility of USI reclassifying from membership in NCAA Division II to Division I and of conference membership options USI may consider. *The PICTOR Group's* work began in October 2021 and was led by Carolyn Schlie Femovich, Vice President, and Cary Groth, Chief Executive Officer.

Throughout the process, *TPG* consulted with Dr. Ronald Rochon, President, conducted weekly calls with, co-chairs of the Division I Exploratory Committee, Jon Mark Hall, Director of Athletics, and Nick LaRowe and participated in several meetings with the Exploratory Committee. Telephonic meetings were also held on multiple occasions with Steve Bridges, Vice President for Finance and Administration, to review comparative data and calls were scheduled with senior University administrators to assess the impact of the athletics program on other University departments. *The PICTOR Group* made an initial virtual presentation to the Board of Trustees on November 4, 2021, a subsequent presentation on January 13, 2022, and met in-person with the Board on January 18.

The Division I Exploratory Committee consisted of a cross-section of athletics department administrators and coaches, faculty and staff of the University, student representatives, alumni and community members. The Committee's work centered around the *NCAA Checklist for Strategic Plan* for reclassifying institutions based on Division I Philosophy and Institutional Performance Program Principles. The Exploratory Committee's assessment and report was completed in early December 2021 and presented to President Rochon in mid-December.

In addition, a campus survey was created to allow the University community to provide input regarding whether the University should reclassify from Division II to Division I. The survey consisted of one question: "In general, are you in favor of USI competing at the Division I level?" and included a comment box for participants to explain their response. Each recipient also was provided with a Frequently Asked Questions (FAQ) document prior to responding to the survey.

The PICTOR Group reached out to the NCAA to verify requirements for reclassification to Division I and maintained communication with several conference commissioners to explore potential membership options should USI decide to reclassify its athletics program. As a complement to the financial analysis provided by the University, *TPG* reviewed financial data for three Division I conferences.

National Landscape

NCAA Constitution and Restructuring

The NCAA has been undergoing significant changes to its governance of college sports across all three divisions. An NCAA Constitution Committee was created in August 2021 to draft an updated constitution

based on membership feedback. A proposed constitution was voted upon and ratified by the membership at the 2022 NCAA Convention in January 2022. The new constitution deregulates the governance of college sports through the delegation of authorities and responsibilities to the divisions, conferences and member institutions. Each of the three NCAA divisions have begun their work to address critical issues for their membership to include defining membership standards, distribution of allocated revenue and governance representation. It is anticipated that initial decisions for each of the divisions will be completed by August of 2022. In addition to other changes, for Division I this could involve revising the standards or definition for what it means to be a Division I institution, or potentially a moratorium on approving new members.

Division I Requirements for Reclassification

NCAA Bylaws specify a member of Division II may petition the NCAA to change its membership to Division I subject to the following prerequisites:

- The institution has been an active Division II member for the preceding five years;
- The institution is in compliance with all Division I minimum sports sponsorship and financial aid requirements; and
- The institution has received an offer of membership by an active Division I multisport conference.

In order to petition to change its membership to Division I, the institution and its sponsoring conference shall complete an application and submit it to the NCAA Strategic Vision and Planning Committee. The application must be received in the national office not later than June 1 prior to the academic year in which the institution is seeking to begin its first year of the reclassification process. An application fee based on the estimated annual average value of direct benefits through distributions and championships made available to Division I members must accompany the application. The current amount of the application fee is approximately \$1.6 million.

The institution's application must include an initial strategic plan addressing the Division I philosophy statement and the requirements set forth by the Strategic Vision and Planning committee. The strategic plan must be approved by the sponsoring conference. The reclassification from Division II to Division I is a four-year process and involves submission of annual reports to the Strategic Vision and Planning Committee. Throughout the four-year process, the Committee monitors the institution's progress and compliance with the criteria of the reclassification process. If the institution has met the reclassification requirements, the Committee will refer the request for active Division I membership to the NCAA Board of Directors for approval, effective in August of that year.

Division I Conference Membership

Beginning in the summer of 2021 to the present date, it has been a very active time of membership change for a number of Division I conferences, especially those in the mid-west. While the changes have created uncertainty and potential instability for conferences and institutions, it also presents opportunities for USI and other institutions considering reclassification to Division I.

The PICTOR Group identified three Division I conferences as potential membership opportunities for USI within the geographic footprint of the University. Contact was initiated and maintained with the commissioners of the Ohio Valley Conference (OVC), Horizon League and ASUN Conference to inquire about their membership interests and the potential for an institution reclassifying from Division II. All three conferences indicated an openness to discussions regarding USI should the University decide to pursue reclassification to Division I.

The *PICTOR Group* compared the median athletics expenses of USI's current conference (GLVC) with the median athletics expenses of the three Division I conferences identified above. The OVC and the Horizon League had comparable expenses but were significantly higher than the GLVC. The ASUN's overall expenses were approximately \$5 million higher than the other two Division I conferences.

Analysis of Comparative Data

Based on the financial analysis done by USI's Vice President for Finance and Administration, if the USI athletics program were to compete successfully at the NCAA Division I level, the current budget would need to be increased by approximately \$6 million annually. His financial analysis breaks down the adjustments that would need to be made in the operating, personnel and athletics grant-in-aid budget for USI to be competitive. The full financial analysis was shared with *TPG* and was included with the report from the Division I Exploratory Committee.

The largest financial investment to transition to Division I would be in personnel and athletics grant-in-aid. The additional athletics personnel identified in the Exploratory Committee's report will be essential for the effective management of a Division I athletics program. The athletics aid maximum for Division II institutions is approximately 60% less than for Division I institutions.

The institution has projected a student fee assessment as a key source of revenue to fund a Division I athletics program. Additional University and external revenue sources will need to be identified and secured to supplement the athletics budget. A well-executed plan to enhance ticket sales, sponsorships and licensing, as well as a comprehensive development and fund-raising plan will need to be implemented. The collaboration between athletics and central campus is essential for the external revenue expectations to be realized.

Review of Athletics Department Structure and Management

The leadership of the athletics department is quite strong given the long-standing tenure and respect for the athletics director, and effectiveness of his administrative team. However, the administrative and support staff is relatively small even for a Division II program. Should USI decide to reclassify to Division I, additional positions in areas such as compliance, academics support, communications, marketing and development will need to be added early in the process to ensure the requirements for a Division I program are met.

The University sponsors more than the minimum of 14 sports required for Division I membership. With the addition of men's and women's swimming and diving this Fall, the size and scope of the athletics program is comprehensive with 19 intercollegiate sports. Monitoring the quality of the student-athlete experience, and a commitment to gender equity and diversity are important components for all athletics programs.

Overall, the athletics program has experienced competitive success nationally as a Division II athletics program. USI student-athletes expect to compete for national championships. The coaching staff consists of a mix of veteran head coaches and those with fewer years in tenure. Currently, most of the team sports have full-time assistant coaches. Should the University reclassify to Division I, assistant coaches will need to be added to be competitive with staffing levels within the new conference and at

the Division I level. Affiliate memberships will need to be explored for USI sports that the new conference does not sponsor.

USI's athletic facilities are very impressive and position the athletics program well to recruit and meet the training and competitive needs of the student-athletes. The Screaming Eagles Arena and the new Aquatic Center are state-of-the-art facilities. The facilities for the track and field, tennis and soccer programs need improvements to provide the necessary training and competitive needs for those programs.

There is a programmatic and cultural difference between Division II and Division I. The athletics administration and coaching staff will need to be prepared to meet the NCAA philosophy and expectations of a successful Division I program. Student-athletes will also need to adjust to the competitive challenges and expectations of Division I.

Institutional Philosophy and Commitment to a Division I Program

Dr. Ronald Rochon provides strong and inclusive executive leadership for the University. The senior leadership team is well-positioned and committed to the advancement of the University and success of its athletics program. The Board of Trustees has been intricately involved with the evaluation process and has been kept well-informed by the president and his leadership team.

The approach used to assess the appropriate NCAA competitive division has been a very collaborative and transparent process. Representatives from the administration, faculty, staff and student body have worked together to evaluate and analyze the differences between the NCAA divisions and the advantages and or disadvantages of making a transition to Division I. The Division I Exploratory Committee included a broad representation from across the University, community, and from athletics.

The University and the athletics program have a strong commitment of ensuring institutional oversight and control as defined by the NCAA. There is presidential oversight of the athletics program, and the Director of Athletics reports directly to the president as a member of the senior leadership team.

Throughout the exploration process, the University has maintained a focus on the four goals of the USI *2021-2025 Strategic Plan*: Student Success, Foster Impactful Engagement, Elevate Visibility and Reputation and Strengthen Financial Viability. The question asked throughout the process was would the decision to move to Division I contribute to those goals and would the decision to move to Division I coincide with the *Mission* and *Vision* of the University.

NCAA Reclassification Process

Should the University decide to pursue reclassification of its athletics program to Division I, immediate steps need to be taken to meet the NCAA requirements and timeframe for applying for Division I membership. As noted above, one of the initial requirements is for the institution to receive an offer of membership from an active Division I multisport conference. Discussions with the designated conference to secure an offer of membership should take place in an expeditious manner prior to USI's official decision by the Board of Trustees to reclassify to Division I.

Once the University's decision and announcement has been made, it will be essential that a strategic planning process get underway immediately to guide the athletics department's reclassification and to meet the NCAA application deadline of June 1. As previously noted, USI's application must include an initial strategic plan addressing the Division I philosophy statement and the requirements set forth by the NCAA. The strategic plan must be approved by the Division I conference, and the NCAA application fee must accompany the application. The reclassification from Division II to Division I is a four-year process and involves submission of detailed annual reports to the NCAA Strategic Vision and Planning Committee.

Assessment and Summary

The University of Southern Indiana's exploratory process to determine whether to reclassify to Division I has been very comprehensive and transparent and involved opportunities for input from the entire campus community. Dr. Rochon is to be commended for such a thorough and thoughtful assessment process for the University.

Division I classification can be a catalyst for change for the University. *Accelerating Impact: USI's Strategic Plan, 2021-2025* established four goals to guide the University's strategic efforts. Reclassifying the athletic program to Division I relates directly to *Goal Three --Elevate Visibility and Reputation*. It could also have a tangential impact on one or more of the other goals within the plan.

Reclassification to Division I could have a significant impact on the long-term interest of the University. Becoming a Division I institution presents an opportunity to elevate the profile and visibility of the University in the region and to put USI on a level with the other public institutions in the state of Indiana. Division I classification can help to broaden the scope of recruitment for students as well as student-athletes and assist in meeting the enrollment and diversity goals of the University.

This is a timely opportunity and decision for the University given the changing national landscape for collegiate athletics. In light of recent conference membership realignment in the region, the OVC has conveyed their desire for USI to reclassify and join the conference.

The on-going NCAA governance discussions could impact future Division I membership standards or impose a moratorium on new members. It will be essential that the University move quickly to secure a formal offer of membership with a Division I conference, and notify the NCAA of the University's intention to apply for reclassification to Division I. The athletics strategic planning requirements for reclassification to Division I should get underway immediately thereafter.

For a successful transition from Division II to Division I, the following considerations should be addressed:

1. Broad institutional support and commitment will be necessary to insure a well-managed and successful Division I athletics program.
2. From the beginning of the transition process, it will be essential that the University establish itself as a viable Division I program with the staffing, scholarships and facilities to be successful.

3. The identification and investment of financial resources will be required to position the athletics program to be competitive and experience success in the early years of the transition process. Financial sustainability is essential.
4. An aggressive and collaborative development structure and fund-raising plan with specific targets must be created and implemented between athletics and central campus.
5. A comprehensive marketing, branding and communications plan must be developed and implemented as soon as the decision is made public.
6. A community engagement plan should be developed and implemented.

On behalf of The PICTOR Group, we are very appreciative of the opportunity to work with the USI team to assist with the assessment of NCAA membership classification. We look forward to our continued engagement with the University.