

Appendix I

Proposed State Fund Usage in Athletic Programs

- Current policy allows Operating Budget funds to be transferred and used in the Athletic Programs based upon three factors: allowed scholarships and their value, a “base” support, and an allowance for gender equity.
- Proposed policy revisions provide for:
 - The scholarship allowance would be based on 100% of the value of allowed scholarships rather than the current 75% allowed by the policy.
 - The “base” support factor, which was established in the original policy adopted in 1989-90, and based upon the level of competition of the program, is as follows:
 - a. NCAA Classification 1-A..... \$1,000,000
 - b. NCAA Classification 1-AA..... \$900,000
 - c. NCAA Classification 1-AAA..... \$750,000
 - d. NJCAA or NAIA..... \$350,000
 - e. No Formal Affiliation..... \$150,000

Current policy provides that these amounts (except for the NJCAA, NAIA, and No Formal Affiliation Classifications) are to be inflated (or deflated) each year based on the lesser of:

- a. The percentage change in the Consumer Price (CPI) for the previous year;
or
- b. The percentage change in Louisiana’s total higher education budget for that year.

The effect of this policy provision has been that the growth in the “base” support has been limited to the increase in the CPI since total higher education budget growth has been strong for the past ten years and generally exceeded the growth in the CPI. This has had the effect of depriving the Athletic Programs of growth in their “base” support commensurate with the rate of growth for higher education generally.

Therefore, revision of the policy is proposed such that the “base” support would be calculated and limited to an amount equal to 3% of the Operating Budget of the previous year. This change would allow for the “base” to increase in-line with the rate of increase (or decrease) of the institution Operating Budgets over time. This revision would be phased-in over the next two years.

- The gender equity allowance, currently established by the policy at an amount of \$125,000 for all institutions, would be increased to \$500,000 for institution in the NCAA Classification 1-A and \$250,000 for institutions in the NCAA Classification 1-AA. It would remain at \$125,000 for all other institutions.