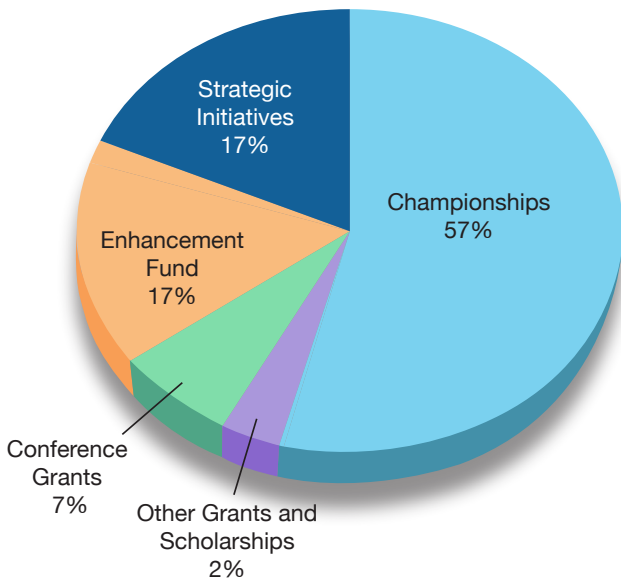


Division II Budget Overview

How presidential leadership has benefited DII financially over time



2019-20 DIVISION II BUDGET ALLOCATIONS



As legislated in the NCAA Constitution, Division II receives 4.37 percent of the Association's general operating revenue. That allocation is divided as follows (the percentages are based on 2019-20 allocations and may vary slightly from year to year):

57% - Championships. Operating expenses, as well as travel and per diem, for 25 national championships.

17% - Enhancement Fund. Created in the late 1980s as a financial incentive for schools to maintain Division II membership affiliation. The allocation formula for the enhancement fund is 75 percent to member conferences based on the number of sports offered, and 25 percent divided equally among active and eligible Division II member institutions.

7% - Conference Grants. Each Division II conference is allotted \$100,000 as a base amount. A \$12,000 premium is paid for a sixth member, with \$4,000 allotted for each additional member.

2% - Other Grants and Scholarships. These funds support academic achievement, diversity and inclusion, community engagement, and professional development.

17% - Strategic Initiatives. These include items such as drug-testing costs, brand enhancement, marketing, professional and leadership development opportunities, and grants to affiliate organizations.

Division II Presidents Council approved a new long-range budget through 2031-32, which aligns the Division II revenue allocation with the Association's 10-year financial plan.

KEY REVENUE ASSUMPTIONS

- Division II's revenue for FY19-24 is calculated based on Division II's actual revenue from FY18, plus Division II's portion of the revenue increases from the media rights agreement and ESPN (minus the NIT).
- Beginning in FY25 and extending through FY32 (which coincides with the new media rights agreement), Division II will take a different approach to budgeting for revenue to align with the NCAA's 10-Year Financial Model in which media rights revenues are based on actual amounts in the men's basketball contract with the media rights agreement through FY32, the other championships contract with ESPN through FY24, and the radio broadcast contract through FY24.
- Surpluses are not budgeted. The revenues in excess of expenses may serve to fund unforeseen needs, special projects/initiatives or a possible supplemental distribution. Also, unallocated dollars from the previous fiscal year are added to the projected budget to calculate the total revenue for the division.

KEY EXPENSE ASSUMPTIONS

- **Total Championships Expenses:** Assumes a two percent increase annually to cover transportation increases through FY32. Assumes an increase in per diem to \$115 in FY22 (total cost: \$780,000).
- **Division II Championships Festivals:** Assumes an increase of \$50,000 in FY23. Assumes a different allocation in years with no festivals (\$150,000 in FY22 and \$200,000 in FY26 and FY30).
- **Division II Enhancement Fund:** Assumes a five percent increase annually through FY24.
- **Division II Conference Grants:** Assumes a \$16,000 increase annually for membership growth through FY24, and an additional \$230,000 in FY22 to increase the base amount each conference receives to \$110,000.
- **Division II Strategic Alliance Matching Grant (SAMG):** Assumes a \$175,000 increase in FY22, which can be used for the SAMG, the Coaching Enhancement Grant, and/or the Internship Grant, based on the specific program's needs.