

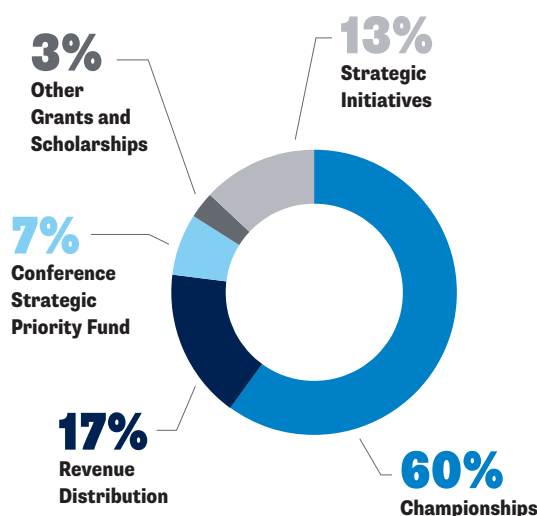
Division II Budget Overview

How presidential leadership has benefited DII financially over time

Division II receives at least 4.37 percent of the Association's annual general operating revenue. General operating revenue includes at least all sources of revenue existing as of 1996. That allocation is divided as follows (the percentages may vary slightly from year to year):

DIVISION II BUDGET ALLOCATIONS

- 60%** **Championships.** Operating expenses, as well as travel and per diem, for 25 national championships.
- 17%** **Revenue Distribution (Conference Sports Sponsorship and Institutional Equal Distribution).** Created in the late 1980s as a financial incentive for schools to maintain Division II membership affiliation, the revenue distribution allocates 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 Strategic Priority Fund.** Each Division II conference is allotted \$110,000 as a base amount for its first five members. A \$12,000 premium is paid for a sixth member, with \$4,000 allotted for each additional member.
- 3%** **Other Grants and Scholarships.** These funds support academic achievement, diversity and inclusion, community engagement, and professional development.
- 13%** **Strategic Initiatives.** These include items such as drug-testing costs, brand enhancement, marketing, professional and leadership development opportunities, and grants to affiliate organizations.



The 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 projected revenue aligns with the NCAA 10-Year Financial Model in which media rights revenues are based on actual amounts in the men's basketball media rights contract with CBS/Turner through FY32, the championships media rights contract with ESPN through FY24, and the radio broadcast rights contract through FY24. There are no assumed increases in the contracts expiring in FY24 for conservatism.
- ▶ Surpluses are not budgeted. The revenues in excess of expenses may serve to fund unforeseen needs, special projects/initiatives or a possible supplemental distribution.
- ▶ 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 five percent increase annually to cover travel increases through FY32. In addition, assumes the following triennial (FY25, FY28 and FY31) increases:
 - ▶ \$10 increase in per diem;
 - ▶ One percent increase for committee expenses;
 - ▶ Three percent increase for game operations; and
 - ▶ \$1,050,000 increase for championships enhancements.
- ▶ Division II Conference Sports Sponsorship Fund: Assumes a 2.5 percent increase for FY23 and a three percent increase from FY24 through FY32.
- ▶ Division II Institutional Equal Distribution Funds: Assumes a 2.5 percent increase for FY23 and a three percent increase from FY24 through FY32.
- ▶ Division II Conference Strategic Priority Fund: Assumes a \$4,000 to \$6,000 premium amount increase in FY25; a \$6,000 to \$8,000 premium amount increase in FY28; and a \$110,000 to \$120,000 base amount increase for each conference in FY31.