



8011 34th avenue south, ste. 450
bloomington, minnesota 55425

phone: 952.854.2979
fax: 952.854.2982
e-mail: nmueller@hardwickday.com

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Mr. Mike Racy
Vice President for Division II
NCAA
P. O. Box 6222
Indianapolis, IN 46206-6222

Dear Mike,

Thank you for the opportunity to meet with you and your colleagues earlier this week. We genuinely appreciate the opportunity to propose an analytic approach for assessing the value of Division II athletic programs on college campuses. It was exciting to hear about the enthusiasm of college presidents and the potential value this project may have for your member institutions, both current and potential.

Major Goals for the Project

From our discussion, I gathered that you and your members would benefit from answers to several significant questions:

How much net revenue (if any) is generated by Division II athletic programs for colleges in Division II?

What are the non-financial implications of Division II athletic programs in areas such as cultural diversity, gender balance, campus culture and student life?

What would be the impact on net revenue and the campus community were a current NCAA Division III member to make the transition to Division II, and conversely, what effect would a move from Division II to Division III have for a current Division II member?

These questions are similar in nature to the questions we often help our institutional clients answer. In the case of an individual institution, our analysis defines a statistical relationship between the amount of merit or need-based aid offered and students' likelihood of matriculation. In these analyses, we have the benefit of assuming that most environmental factors will remain unchanged. In order to develop an ability to project enrollment and revenue outcomes for an array of individual institutions, we will need to incorporate rough measures of the key environmental factors that can affect enrollment prospects beyond the offering of athletic scholarships.

Analytic Approaches

To accomplish these objectives, we propose to conduct an analysis of a number of member colleges utilizing data related to individual students and institutional data descriptive of each team sport and the competitive environment within which the institution functions. From these data elements we would seek to construct the following measurements:

- The specific impact of athletic scholarships on matriculation rates, in comparison to other forms of scholarships and financial assistance.
- Current strength of each sport, defined by roster size, record of wins and losses, caliber of competition and conference affiliation.
- For each sport, the number and quality of potential competitors that would be encountered within the same recruitment markets, should the institution pursue a change in NCAA Division level.
- Conference affiliations available, if any, with a change in NCAA division.

Based on these dimensions of analysis, we will develop a predictive model that will allow a member institution to estimate the anticipated enrollment effects of a change in division. This model will be designed to include estimates of impacts on gender balance, diversity and other aspects of the campus community.

In order to gather the necessary data, we plan to send a data request to as many as thirty institutional participants that volunteer to be part of the analysis, and would expect to utilize data from at least twenty institutions at the completion of the project. We will seek to include institutions that have recently completed a transition from one division to another, along with an additional group representative of both Division II and Division III.

Key Deliverables

With the conclusion of our analysis, we will provide you with a series of annotated charts and observations designed to summarize our findings and visually present the important elements that relate to the measures I've described above. Each participating institution will receive a set of individualized descriptive charts for comparison with the group of participants as a whole.

In addition, we will provide the model I described above as a template that can be distributed to institutions at the discretion of the NCAA. By entering location and certain other significant information, an institution will be able to calculate a reasonable estimate of the financial and non-financial impacts of a change in division.

Project Schedule

As we discussed during our meeting, we expect to provide a description of the project

and seek a first group of participants during the NCAA convention in Orlando in early January. We plan to provide a preliminary set of charts and findings at the April 26 meeting of the Division II Presidents Council, followed by a more complete set of charts and findings along with a demonstration of the model at the June 23 Division II Chancellors and Presidents Summit.

Thank you again for this opportunity.

Best Wishes,

Nathan Mueller
Principal

