

Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER)

Report to
the Mississippi Legislature



The Mississippi High School Activities Association: An Accountability Review

MHSAA states that its mission is to provide leadership and coordination of interscholastic activities that will “enhance the educational experiences” of students and that will promote opportunities for students’ participation in interscholastic activities “while maximizing the achievement of educational goals.” However, PEER found that when the MHSAA considers changes to policies or rules, it does not have the data that it needs to ensure a continuing focus on academics. Thus, the MHSAA does not ensure that one of the core values expressed in its mission is kept central to its decisionmaking process. Also, although the MHSAA has rules in place that could act as a means to deter hindrances to academic achievement, it does not proactively monitor adherence to these rules.

The association has a complex funding structure composed of dues, fees, and gate receipts and it does not make its financial information readily available on its public website to educators, parents, and the community. Member schools pay fees to MHSAA and they should be able to understand the justification for changes in fees and gate receipt percentages. If MHSAA believes that it should increase certain fees, the schools should have the financial information needed to understand what led to the decision.

Although most of MHSAA’s revenues are provided by schools’ membership dues or by admission fees charged to persons attending MHSAA events, MHSAA has not always demonstrated that it has been responsive to the needs of the schools or to changing conditions regarding its revenue collection practices. For example:

- MHSAA continues to receive a portion of gate receipts from pre- and post-season events despite the association’s limited involvement and expense.
- Debt for MHSAA’s building has been retired for many years, but the association still collects a portion of the revenues from “classic” games established to provide revenues for construction of the building.
- Monetary penalties for rule violations (rather than some other disciplinary alternative)--most of which are paid by the schools themselves--reduce member schools’ financial resources for supporting their extracurricular programs.
- Despite its substantial financial reserves (approximately \$3.4 million at the end of FY 2014), MHSAA increased fees charged to member schools for catastrophic insurance and technology services for the 2014-2015 school year.

January 5, 2015

PEER: The Mississippi Legislature's Oversight Agency

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, special investigations, briefings to individual legislators, testimony, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, and the agency examined.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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January 5, 2015

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On January 5, 2015, the PEER Committee authorized release of the report entitled **The Mississippi High School Activities Association: An Accountability Review.**

A handwritten signature in cursive script that reads "Nancy Adams Collins".

Senator Nancy Adams Collins, Chair

This report does not recommend increased funding or additional staff.

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The Mississippi High School Activities Association: An Accountability Review

Executive Summary

Introduction

This report resulted from a legislator's concern that the Mississippi High School Activities Association no longer serves the best interests of the students it purports to serve.

The Mississippi High School Activities Association (MHSAA) is a 501 (c) (3) not-for-profit corporation chartered by the state of Mississippi. MISS. CODE ANN. Section 5-3-51 et seq. (1972) provides PEER with authority to review this entity because the statutes provide that PEER may:

- review agency functions and independent contractors when necessary; and,
- study present laws relative to agencies.

MISS. CODE ANN. Section 5-3-57 (b) (1972) provides PEER with comprehensive authority to review the files and functions of agencies and also extends the authority to cover the independent contractors of such agencies when necessary. For the purposes of the statutes addressing PEER's authority, the term "agency" embraces not only those components of state government commonly thought of as agencies, but also local government entities (see MISS. CODE. ANN. Section 5-3-53 [1972]).

Because the MHSAA's member schools make regular payments to the association in the form of annual membership dues, member schools agree to abide by the association's bylaws and rules, and in turn receive the benefits of membership (e. g., regulation of schools' athletics and activities) in exchange for their regular payments, the relationship between the MHSAA and the member schools constitutes a contractual relationship.

PEER's power to make recommendations regarding perfection of law (MISS. CODE ANN. Section 5-3-57 [1972]) is also an appropriate basis for authority to conduct a project, as through investigation and audit the Legislature can obtain information relative to the need to amend law or enact new law on any given subject.

Background

The Mississippi High School Activities Association was incorporated as a not-for-profit organization in 1956. MHSAA's constitution states that its purpose is to "promote the general welfare of member schools in their relations with each other." The MHSAA regulates sixteen sports and six activities in member schools.

MHSAA has a multi-level governance structure to represent its member schools that includes activity districts and district executive committees at the local level, a Legislative Council, and an Executive Committee. The association has a full-time staff of twelve employees, including an Executive Director.

MHSAA's Mission and the Role of Extracurricular Activities Within the Context of Academics

According to the MHSAA, its mission is to provide leadership and coordination of interscholastic activities that will "enhance the educational experiences" of students and that will promote opportunities for students' participation in interscholastic activities "while maximizing the achievement of educational goals." MHSAA's stated mission reflects the core value of academic proficiency as the foundation of Mississippi's educational system. Therefore, MHSAA is responsible for maintaining an emphasis on academics, with the role of extracurricular activities being to provide a fuller, richer educational experience for students but not replacing academics as a priority. The National Association of State Boards of Education has confirmed the principle contained in MHSAA's mission statement, noting that while athletics may enhance the school experience, academic achievement should be the top priority.

This issue is particularly important for Mississippi, since in school year 2013-14, Mississippi had a total of 105,806 student athlete participants in sixteen sports and approximately 37,000 student participants in four activities. Also, many of Mississippi's students already struggle academically.

PEER reviewed MHSAA's due diligence in carrying out its responsibilities to regulate member schools' athletics and activities as an enhancement of students' educational experiences while keeping academics as a priority.

Conclusions

Does MHSAA have clearly defined responsibilities for parties participating in the association's governance?

The current edition of MHSAA's handbook does not clearly define certain areas related to the association's operation (i. e., elections and governance). The omission of such important operational standards has led to confusion among stakeholders and disagreements among MHSAA's governance bodies.

MHSAA policy requires that both the Legislative Council and the Executive Committee vote on proposals twice. Even though the Executive Committee is considered MHSAA's Board of Directors, the Legislative Council has the power to override the Executive Committee's vote to veto a proposal.

MHSAA's bylaws do not outline how nominations for the Executive Committee or Legislative Council should occur, the process candidates must follow to run for seats on these bodies, or how voting for representatives takes place. Also, the MHSAA does not distinguish between its constitution, bylaws, rules, regulations, and policies in its handbook.

Does MHSAA have a fully informed decisionmaking process that incorporates careful monitoring of the potential academic and financial consequences of decisions?

When considering changes to policies or rules, MHSAA does not have the data that it needs to ensure that the association focuses on academics (e. g., minimizing the loss of instructional time of those students involved in sports and activities). Thus, MHSAA does not ensure that one of the core values expressed in its mission--"maximizing the achievement of educational goals"--is kept central to its decisionmaking processes. Also, MHSAA does not have the fiscal information needed to show the impact of athletics and/or activities on schools' budgets.

Neither the MHSAA Executive Committee nor the Legislative Council requires the collection or analysis of student-level data needed to determine the "big picture" effects of athletics on Mississippi students' educational achievement and on member schools' budgets. For example, if properly collected and reported, MHSAA could use data on student absences related to athletics to make more informed decisions affecting member schools and students. Also, MHSAA does not require that activity districts' proposals to the Executive Committee and Legislative Council be accompanied by accurate and detailed information on the associated potential educational and financial effects on member schools and students.

Without such information, MHSAA could make a decision or combination of decisions without realizing the true impact of athletics and activities on student educational achievement and schools' budgets over time.

Is MHSAA proactive in its regulation and monitoring of athletics and activities?

Although MHSAA has rules in place that could act as a means to deter hindrances to academic achievement, it does not proactively monitor adherence to these rules.

MHSAA has some measures in place to help ensure that schools adhere to the athletic calendar and has the authority to impose a significant penalty for infractions, which could inhibit non-compliance by member schools. However, MHSAA could be more proactive in enforcing season lengths and maximum number of contests, which could affect students' academic efforts. Also, since MHSAA encourages students to participate in multiple sports and in activities, the association should consider the potential effect of the total number of contests and events held during the school year.

MHSAA has not taken a proactive approach to enforce its student athlete eligibility requirements because it does not audit schools' eligibility files to ensure compliance. Also, MHSAA's bylaws regarding academic eligibility do not follow state law because they do not base eligibility on state law's cumulative grade point average requirement.

Regarding complaints and penalties, although the MHSAA Executive Director has authority to investigate complaints of noncompliance by member schools and their personnel, the association's complaint and penalty files do not contain sufficient documentation that complaints are resolved fairly or consistently.

Is MHSAA transparent in all matters of governance and oversight?

MHSAA has made governance, management, and financial decisions that have not been transparent to its stakeholders. The lack of transparency could create distrust among members of the governing bodies and confusion of stakeholders.

MHSAA's administration did not make its recent state football championship site selection decision transparently, which caused some member schools to question the decision and its potential financial impact on the schools. By issuing a request for proposals to select sites for the 2014-2017 state football championships, MHSAA implied that there was to be open and transparent competition to select a provider. However, MHSAA did not follow best practices for procurement of services.

Regarding transparency concerning its financial position, MHSAA does not make its financial documents readily available on its public website to outside individuals who have a vested interest in the MHSAA's decisions (i. e., parents and the community).

Has MHSAA been fully accountable for the efficient use of its resources?

Although MHSAA's annual audits have not documented instances of misappropriation of funds, the accountability of the association's financial management practices could be questioned due to its heavy reliance on operating revenue provided by member schools, the imposition of additional fees while maintaining substantial cash reserves, and the recent overpayment of three retirees.

Most of MHSAA's revenues are provided by member schools' membership dues or by admission fees charged to persons attending MHSAA events (e. g., gate receipts, season passes). However, although the association appears to be financially stable, in some cases MHSAA has not demonstrated that it has been responsive to the needs of member schools or to changing conditions regarding its revenue collection practices. Despite its substantial financial reserves (approximately \$3.4 million at the end of FY 2014), MHSAA increased fees charged to member schools for catastrophic insurance and technology services for the 2014-2015 school year.

By using incorrect calculation methods, MHSAA managers recently overcompensated three employees who retired a total of \$35,174 more than allowed by the association's own *Personnel Handbook*. Such expenditures could cause MHSAA's stakeholders to question its stewardship of resources.

Recommendations

1. To help ensure open and fair election processes at the state and district levels, MHSAA should outline its election and voting procedures in its constitution and bylaws, including a method for voting for potentially controversial proposals (i. e., closed ballot).
2. To ensure consistency and improve accountability for decisions, MHSAA should revise its handbook by defining its constitution, bylaws, rules, regulations, and policies. To eliminate confusion regarding powers and duties, the association should also amend its constitution to establish a hierarchy for the previously named documents. MHSAA's handbook should clearly define which decisionmakers have authority to make changes to which documents and to make certain types of decisions. Also, MHSAA should differentiate in its constitution and bylaws between other similar, related terms, such as "state contests," "state tournaments," and "state games."
3. MHSAA staff, district committees, and school principals should encourage proposals for change from all stakeholders in education, including teachers without coaching or activity responsibilities, as well as parents. Education stakeholders should be aware that they can help influence MHSAA policy and that decisions made

are educational in nature because they can affect students' time, teachers' instruction, schools' budgets, etc.

4. MHSAA should seek to add stakeholders with solely academic interests (e. g., teachers without coaching responsibilities) to its governance structure, even if that member is a non-voting advisory member. Some other states' high school activity associations include parents, students, or state education department representatives in the membership of their governance bodies.
5. Upon joining the Legislative Council or Executive Committee, new members should be reminded of the role of athletics within an academic context. New members should agree upon the basic assumptions outlined on page 17 of this report and should agree to prevent any decisions that do not support those basic assumptions.
6. The Legislative Council and Executive Committee should require that proposals that come before those bodies be accompanied by a detailed written statement regarding the proposal's projected educational and financial impact on member schools and students. Specifically, MHSAA should create standards for its proposals. For example, each proposal should be accompanied by relevant data or research to outline not only the academic and financial impact of that proposal, but also an explanation of how that proposal is in the best interest of the students and schools. Such information should be attached in the minutes of each body.
7. To improve accountability for its decisions, the MHSAA should clearly define in its handbook the conditions under which an expedited proposal may bypass activity districts and/or the Legislative Council and go immediately to the Executive Committee for consideration.
8. To ensure the collection and analysis of information regarding the impact of athletics and activities on student performance, the Legislature should amend MISS. CODE ANN. Section 37-17-6 (1972) to require the Commission on Accreditation to establish rules for public school districts to submit to the commission at the close of each semester the information necessary to determine the following:
 - How do athletics and activities impact student achievement in and out of season?
 - How does multi-sport or activity participation affect student achievement?
 - How much instructional time is lost for those students participating in athletics and activities?

- What are the effects of athletics and activities on schools' budgets?
- How do athletics and activities affect graduation rates, absenteeism, and participation in advanced courses?

Before adopting any rules authorized by this paragraph, the commission should confer with MHSAA regarding the substance of any potential data collection requirements for school districts.

The commission should share relevant information with MHSAA for research purposes. MHSAA should request assistance from researchers at the state's community colleges and universities or persons with backgrounds in statistical and social science research to analyze the commission's information. MHSAA staff should share such analysis with members of its Executive Committee and Legislative Council when such bodies are considering policy changes regarding matters such as season lengths, number of authorized games in a week, and other matters related to academic performance of student athletes and students participating in extracurricular activities.

9. To determine the impact and effect over time of student absences related to participation in MHSAA athletics/activities, MHSAA should create and utilize a method to gather periodically from schools the attendance data related to students' athletic/activity participation. MHSAA should use this information to aid in its decisionmaking.

The Kansas State High School Activities Association conducts a study every four years that measures the loss of instructional time of students participating in extracurricular activities.

10. In order to protect the best interests of member schools and students, MHSAA should be more proactive in its regulation of schools' athletics and activities. In particular, MHSAA should utilize a random sampling method for conducting the following activities:
 - performing random sports schedule checks prior to the athletic season to ensure that schools do not surpass the allowed number of games per season or per week; and,
 - performing random audits of eligibility documentation to ensure that schools are maintaining the appropriate records with which to make valid eligibility rulings.
11. The MHSAA should revise Bylaws 2.10.2 and 2.10.3 to reflect language in MISS. CODE ANN. Section 37-11-65 (1972) regarding academic eligibility of athletes (i. e.,

requirement to consider a cumulative grade point average) and then actively monitor compliance with these bylaws (and state law) in member schools.

In the event that MSHAA determines that it cannot implement a policy that comports with state law and such law results in compliance issues for the computation of mid-year grade point averages, the MSHAA should recommend to the Legislature appropriate amendments to MISS. CODE ANN. Section 37-11-65 (1972) that would offer a practicable academic standard for determining eligibility for participation in athletics and activities.

In the future, the MHSAA should, in consultation with the Mississippi Department of Education, determine whether the standard set forth in MISS. CODE ANN. Section 37-11-65 (1972) is an adequate standard for student performance or whether the association and the department should recommend to the Legislature a more stringent academic eligibility requirement for student athletes.

12. To improve its accountability to member schools, MHSAA should adopt a formal complaint resolution process (and outline that process in its handbook) that includes when responses to complaints should be expected and in what form (e. g., telephone call, letter, or email). In addition, MHSAA should create a complaint form that would serve as the official record of the complaint's origin. This form, along with any investigative documents, should be maintained in one file, along with the Notice of Penalty and/or other documented resolution.
13. To be more transparent and provide useful management information, MHSAA should retain and log formal complaint information.
14. To improve transparency and accountability of its finances, MHSAA should make its financial documents (e. g., budgets, financial statements) available to stakeholders on its website.
15. Through its survey, PEER learned that many school personnel do not know about MHSAA and what it does. MHSAA should create literature (or post a brief video on its website) explaining what it is, what it does for member schools, how MHSAA rules and regulations could affect schools and students, and how member school personnel can get involved in MHSAA (e. g., by communicating with their principal regarding ideas that he/she could take to district meetings). MHSAA should encourage principals to encourage their staffs to visit MHSAA's website to learn about the association and how they can play a role in changing MHSAA policies.

16. In consultation with the association's certified public accounting firm, the Executive Committee should analyze its funding strategy to determine an optimum mix of revenue sources that could provide the association with stable financial resources while reducing its reliance on dues, fees, assessments, and gate receipts from member schools.
17. As recommended by the 2010 Nonprofit Operating Reserves Initiative Workgroup, the Executive Committee should develop a written operating reserve policy that includes the following components:
 - *Statement of purpose*: The reason for establishing the operating reserve.
 - *Policy*: Objectives to be achieved.
 - *Definitions*: Descriptions of the meaning of key terms used in the policy.
 - *Funding*: Beginning balance of operating reserve (if any), ultimate target amount for the fund and timeline for achieving it, including an annual increase in targets and strategies/sources for funding.
 - *Procedures*: Details of how the policy is to be implemented, including the formula for calculating the operating reserve ratio, the amount of the operating reserve balance, whether the operating reserve should be formally board-designated, if it is to be a funded operating reserve, and its relationship to the approved investment policy.
 - *Uses*: Circumstances under which the operating reserve can be used.
 - *Governance*: Procedures for approving the use of operating reserves, persons authorized to establish policies and oversee reserve ratio and balance; provisions for recalculating the formula of the operating reserve balance and distributing the excess operating reserve balance, or funding operating reserve deficiencies.
 - *Authorization of drawdown from the operating reserve*: Define terms and conditions for drawdown from the fund for operating purposes in the case of a financial emergency, including procedures for eventual replenishment.

Part of the association's plan for its reserves could include a goal of financially assisting schools by covering a portion of their expenses associated with participating in athletics and activities regulated by MHSAA.

18. In the future, when compensating employees who retire from the association, MHSAA managers should strictly adhere to the accumulated leave payment provisions included in the association's *Personnel Handbook* and correctly compute an employee's daily rate of pay by using the total workdays in a year when computing his or her retirement payout.

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The Mississippi High School Activities Association: An Accountability Review

Introduction

Authority

The Mississippi High School Activities Association (MHSAA) is a 501 (c) (3) not-for-profit corporation chartered by the state of Mississippi. MISS. CODE ANN. Section 5-3-51 et seq. (1972) provides PEER with authority to review this entity because the statutes provide that PEER may:

- review agency functions and independent contractors when necessary; and,
- study present laws relative to agencies.

PEER's Authority to Review Independent Contractors of Local Government Entities

MISS. CODE ANN. Section 5-3-57 (b) (1972) authorizes the PEER Committee:

(b) To conduct, in any manner and at any time deemed appropriate, a review of the budget files, financial statements, records, documents or other papers, as deemed necessary by the committee, of any agency; to make selected review of any funds expended and programs previously projected by such agency; to investigate any and all salaries, fees, obligations, loans, contracts, or other agreements or other fiscal function or activity of any official or employee thereof (including independent contractors where necessary); and to do any and all things necessary and incidental to the purposes specifically set forth in this section. [Emphasis added]

This provision provides comprehensive authority for PEER to review the files and functions of agencies and also extends the authority to cover the independent contractors of such agencies when necessary. For the purposes of the statutes addressing PEER's authority, the term "agency" embraces not only those components of state government commonly thought of as agencies, but also local government entities (see MISS. CODE. ANN. Section 5-3-53 [1972]).

Because the MHSAA's member schools make regular payments to the association in the form of annual membership dues (see page 59), member schools agree to abide by the association's bylaws and rules, and in turn receive the benefits of membership (e. g., regulation of schools' athletics and activities) in exchange for their regular payments, the relationship between the MHSAA and the member schools constitutes a contractual relationship.

This reasoning appears to have been implicit in the reasoning of the Mississippi Supreme Court in the case of *Mississippi High School Activities Association v. Farris*, 501 So. 2d 393 (Miss, 1987).¹

PEER's Authority to Study Present Laws Relative to Agencies

The PEER Committee also has the authority under MISS. CODE ANN. Section 5-3-57 (1972) to study the laws administered by agencies and make recommendations to correct imperfections in such laws. School districts and their governing boards are creatures of statute. They have the powers legislatively granted them, such powers necessarily implied by those powers, and no more than that. As creatures of statute, any changes in their duties or additional requirements associated with an existing duty would have to be set out in an amendment to current law. Thus PEER's power to make recommendations regarding perfection of law is an appropriate basis for authority to conduct a project, as through investigation and audit the Legislature can obtain information relative to the need to amend law or enact new law on any given subject.

Problem Statement

This report resulted from a legislator's concern that the Mississippi High School Activities Association no longer serves the best interests of the students it purports to serve. Complainants had reported to legislators the following concerns and public perceptions.

- MHSAA has allowed the drive for gate receipts (i. e., revenues) to eclipse the best interests of the student athletes and participants.
- High school athletic seasons have been extended too long and often conflict with academic and other educational and

¹In *Farris*, the court did not disturb a chancellor's finding that a contract existed between the MHSAA and the Hattiesburg schools, but did reject the idea that the student athletes of Hattiesburg High School were third-party beneficiaries. The court's analysis showed that the benefits of the relationship inured chiefly to the schools and not the students. It appears that there could be little question as to whether a contract existed between the association and the school members. As discussed in this report, the relationship between Mississippi schools and the MHSAA constitutes a delegation of school board authority to regulate athletics and other activities.

health needs of the students by taking them out of the classroom too long or too frequently.

- Transparency is limited regarding MHSAA's financial position, including staff salaries and how the salaries are financed, membership dues, and the financial effects of extended playoff seasons on schools that participate in the playoffs.
- Some of MHSAA's regulatory practices are questionable.
- No entity exercises oversight of MHSAA.

The PEER Committee conducted an accountability review of the MHSAA in order to respond to these concerns.

Scope and Purpose

PEER reviewed MHSAA's due diligence in carrying out its responsibilities to regulate member schools' athletics and activities as an enhancement of students' educational experiences while keeping academics as a priority.

PEER's review addressed the following questions:

- Does MHSAA have clearly defined responsibilities for parties participating in the association's governance?
- Does MHSAA have a fully informed decisionmaking process that incorporates careful monitoring of the potential academic and financial consequences of decisions?
- Is MHSAA proactive in its regulation and monitoring of athletics and activities?
- Is MHSAA transparent in all matters of governance and oversight?
- Has MHSAA been fully accountable for the efficient use of its resources?

Method

In conducting this review, PEER:

- reviewed relevant sections of state law;
- reviewed relevant court cases;
- interviewed the executive director and selected staff of the Mississippi High School Activities Association;
- interviewed selected superintendents, principals, athletic directors, and past members of the Mississippi High School

Activities Association's Executive Committee and Legislative Council;

- reviewed documents provided by the Mississippi High School Activities Association;
- attended a joint meeting of the Mississippi High School Activities Association's Executive Committee and Legislative Council;
- attended the Mississippi High School Activities Association's orientation session for new principals and athletic directors;
- obtained information from organizations similar to MHSAA in Florida, Texas, Alabama, Arkansas, Georgia, Louisiana, Tennessee, North Carolina, and South Carolina; and,
- developed and distributed a survey to Mississippi High School Activities Association member high schools (see Appendix A, page 83, for details on the survey).

Background

This chapter addresses:

- MHSAA's creation and purpose;
- services MHSAA provides to member schools;
- how MHSAA is organized; and,
- MHSAA's financial position.

MHSAA's Creation and Purpose

The Mississippi High School Activities Association was incorporated as a not-for-profit organization in 1956. MHSAA's constitution states that its purpose is to "promote the general welfare of member schools in their relations with each other."

The Mississippi High School Activities Association (MHSAA) was incorporated under the laws of the state of Mississippi as a not-for-profit organization on December 19, 1956. The organization's origins go back to the "schoolmaster's clubs" of the early 1900s that were formed to coordinate intergroup contests among high schools, which later formed a state association under the auspices of the Mississippi Education Association. The group developed its own constitution and bylaws in 1949 and in 1971 merged with the Magnolia State High School Activities Association, which had coordinated extracurricular activities of African-American high schools in the state prior to school desegregation.

According to Article 2 of the Mississippi High School Activities Association's constitution, the MHSAA's purpose is "to promote the general welfare of member schools in their relations with each other" through:

- *planning, directing, and controlling contests, games, and other interscholastic activities;*
- *defining and assigning responsibility;*
- *elevating the standards of sportsmanship by seeking to strengthen moral fiber of all concerned;*
- *developing a high standard of scholarship and encouraging pride in scholastic achievement; and,*
- *encouraging the formation and promotion of noncompetitive activities, which contribute to molding values in character development as part of a well-rounded extracurricular program.*

According to the association’s constitution, any secondary school in Mississippi that is accredited by the Mississippi Department of Education or the Southern Association for Colleges and Schools is eligible for membership in the MHSAA. MHSAA membership signifies that the school agrees to remit fees to its district, as well as to MHSAA, and to abide by all MHSAA rules and regulations.

Services MHSAA Provides to Member Schools

The MHSAA regulates sixteen sports and six activities in member schools.

The MHSAA regulates sixteen secondary school sports and six activities. (See Exhibit 1, below.) Member schools choose which of these sports and activities that they will provide based on factors such as student and community interest and budgetary limitations.

Exhibit 1: Secondary School Sports and Activities Regulated by the MHSAA

Sports

Archery	Soccer
Baseball	Softball (Fast Pitch)
Basketball	Softball (Slow Pitch)
Bowling	Swimming
Cross Country	Tennis
Golf	Track and Field
Football	Volleyball
Powerlifting	Wrestling

Activities

Speech/Debate
Cheer/Dance
Band
Choral Music
Writing (prose, poetry, short stories, and essays)
Drama

SOURCE: MHSAA website.

Following are examples of the types of specific services that MHSAA provides to its member schools:

- sets academic, health, age, residency, and student transfer standards to decide who may participate in athletics/activities;
- coordinates all post-season (i. e., play-offs and championship) contests and events;

- registers and certifies officials and assigns them to member schools' scheduled games;
- provides officials with training opportunities via MHSAA's membership in the National Federation of State High School Associations (NFHS);
- provides coaches with training opportunities via NFHS or MHSAA;
- regulates member schools' para-professionals;
- sets contest rules (approved by NFHS) that all member schools must abide by;
- designates sports season lengths;
- enforces fines, penalties, suspensions, and probations;
- provides a means to appeal fines, penalties, suspensions, probations, or eligibility rulings;
- makes district and statewide game/contest passes available that allow admittance to MHSAA-sponsored events;
- provides banners, trophies, and other awards to teams that advance to playoffs and championships;
- provides scholarships for a select number of scholar-athletes each year; and,
- hosts an annual scholar athlete banquet.

How MHSAA is Organized

MHSAA has a multi-level governance structure to represent its member schools that includes activity districts and district executive committees at the local level, a Legislative Council, and an Executive Committee. The association has a full-time staff of twelve employees, including an Executive Director.

Governance Structure

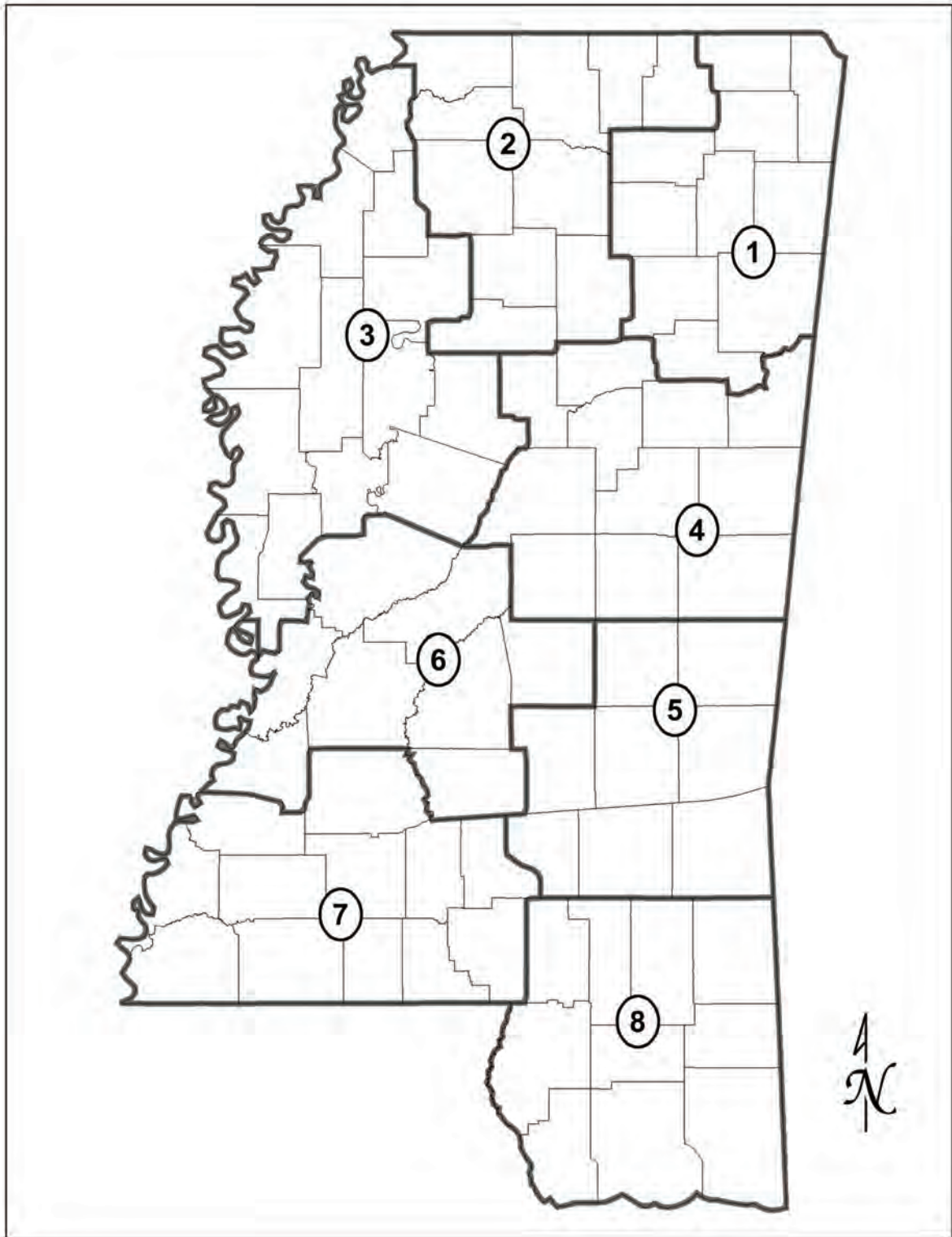
MHSAA has a multi-level governance structure to represent its member schools. This structure includes activity districts and district executive committees at the local level, a Legislative Council, and an Executive Committee. Although not a part of the formal governance structure, the association has advisory committees for consultation regarding band, choral music, spirit (i. e., cheer and dance), and sports medicine.

Appendix B, page 88, provides additional detail on powers and duties of the different levels of MHSAA's governance and pages 20-28 contain a discussion of the governance structure.

Local Activity Districts

MHSAA member schools are assigned geographically to one of eight activity districts for administrative purposes (see Exhibit

Exhibit 2: Map of MHSAA Activity Districts



SOURCE: PEER analysis of MHSAA information.

2, page 8, for a map showing the boundaries of the activity districts; see Appendix C, page 90, for a current list of schools within each activity district). Each member school's principal or designee is the voting representative at the activity district meetings.

Each activity district has its own elected executive committee and officers. The district executive committees arrange dates and control all district contests, tournaments, and festivals in their respective districts in consultation with the association's Executive Director (see page 25). The district committees also certify the condition of athletic facilities within their districts and assist the MHSAA Executive Director with other tasks, including investigations of irregular conduct, securing information regarding player eligibility, and conducting hearings.

Legislative Council

The Legislative Council consists of the president of the association and forty-one members elected at the district level (four from each activity district representing high schools and one member from each activity district representing junior high schools). One at-large member represents the fine arts (i.e., band, chorus, speech, and debate) and is appointed by the Executive Committee.

The council members serve four-year staggered terms. A Legislative Council member must be a full-time certified administrator, teacher, or coach of a member school. (See Exhibit 3, page 10.)

Executive Committee

The Executive Committee consists of the president of the association and fourteen members. One member is elected from each of the activity districts and four additional members rotate from districts 1 and 2, districts 3 and 4, districts 5 and 6, and districts 7 and 8. Two at-large members (one from districts 1-4 and one from districts 5-8) are recommended by the association's Executive Director.

The Executive Committee serves as the Board of Directors for MHSAA and has final authority over all actions of MHSAA's Executive Director. Both the Executive Committee and the Legislative Council must approve all members who are elected to serve on the Executive Committee. Executive Committee members serve staggered four-year terms and must be full-time administrators of member schools in positions that require an administrative certification (i. e., superintendents, principals, or athletic directors). (See Exhibit 4, page 11.)

Exhibit 3: MHSAA's Legislative Council Requirements and Composition

	Requirements	Composition			
		Activity District	Number of Members Representing High Schools	Number of Members Representing Junior High Schools	Number of Fine Arts Members*
Legislative Council	<ul style="list-style-type: none"> Members must be full-time certified administrators, teachers, or coaches Members serve staggered four-year terms so that one high school member from each district will be retired each year Members must attend 2/3 of scheduled meetings each year (October, February, and April) Membership must maintain cultural diversity 	1	4	1	1
		2	4	1	
		3	4	1	
		4	4	1	
		5	4	1	
		6	4	1	
		7	4	1	
		8	4	1	
		Total membership: 42**			

*The fine arts member of the Legislative Council represents band, chorus, speech, and debate and is appointed by the Executive Committee. All other members of the Legislative Council are elected at the district level.

**Membership also includes the president of the MHSAA.

SOURCE: MHSAA handbook.

Exhibit 4: MHSAA’s Executive Committee Requirements and Composition

	Requirements	Composition			
		Activity District	Number of Members	Number of Rotating Members	Number of At-large Members
Executive Committee	<ul style="list-style-type: none"> Members must be full-time administrators in member schools (positions requiring administrative certification) Members serve staggered four-year terms (may be reelected to serve two consecutive terms, but must be off the committee for a year before being reconsidered) Members must attend 2/3 of scheduled and special called meetings each year Membership must maintain cultural diversity 	1	1	1	1
		2	1		
		3	1	1	
		4	1		
		5	1	1	1
		6	1		
		7	1	1	
		8	1		
		Total membership: 15*			

*Membership also includes the president of the MHSAA.

SOURCE: MHSAA handbook.

Composition of Current Membership of the Legislative Council and Executive Committee

Exhibit 5, page 12, shows the breakdown of the membership of the current Executive Committee and Legislative Council regarding the roles they have in their member schools. Although the MHSAA Handbook² states that the Legislative Council’s membership may include teachers, no teachers without coaching or activity responsibilities currently serve on the council.

²Part 1 of MHSAA’s *Handbook* primarily includes its mission, constitution and bylaws, according to its table of contents. MHSAA also refers to Part 1 as its “policies and procedures.” Part 2 of MHSAA’s *Handbook* is a separate document entitled “Sports Information Manual,” which includes rules for individual sports and various forms that schools must use for reporting to MHSAA.

Exhibit 5: Roles of Current Members on MHSAA’s Executive Committee and Legislative Council, 2014-2015

	Superintendent	Assistant Superintendent	Principal	Assistant Principal	Athletic Director	Coach	Fine Arts Member
Executive Committee	7	1	2	1	3	0	0
Legislative Council	0	1	5	2	15	17	1

NOTE 1: Membership of both the Executive Committee and Legislative Council always includes the current MHSAA President.

NOTE 2: MHSAA administration notes that even though there are no teachers without athletic or activity responsibilities on the Legislative Council, many of the council’s members also teach in some capacity within their respective schools.

SOURCE: MHSAA staff.

Advisory Committees

According to Article 7 of MHSAA’s constitution, the association has four advisory committees for band, choral music, spirit (i.e., cheerleading), and sports medicine for consultation purposes.

- The band advisory committee is composed of elected officers of the Mississippi Band Masters Association.
- The music advisory committee is composed of officers of the high school division of the Mississippi Music Educators Association.
- The spirit advisory committee is composed of elected representatives from each activity district, a junior high representative, and one technical advisor.
- The sports medicine advisory committee is composed of sports medicine personnel, member school administration, coaches, and a member of the MHSAA staff.

Office Location and Staff

The office of the Mississippi High School Activities Association is in Clinton. MHSAA has an Executive Director who is employed by the association’s Executive Committee and a full-time staff of twelve. (See Appendix D, page 92, for a list of positions and staff salaries.³)

³The number of filled positions was twelve as of November 5, 2014. Appendix D shows thirteen employees for MHSAA as of FY 2013.

MHSAA's Financial Position

In FY 2014, MHSAA received \$3,563,126 in revenues, expended \$3,489,146, and had reserves of \$2,553,584.

MHSAA is funded by a combination of various types of revenues, much of which are provided by member schools or by admission fees charged to persons attending MHSAA events (i. e., gate receipts and statewide passes). Exhibit 6, page 14, shows MHSAA's revenues and expenditures for FY 2010 through FY 2014. In FY 2014, MHSAA received \$3,563,126 in revenues, expended \$3,489,146, and had reserves of \$2,553,584. See pages 58 through 76 for additional detail and analysis on the association's revenues and expenditures.

Exhibit 6: MHSAA's Revenues, Expenditures and Investments, FY 2010-FY 2014

Revenues:

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Membership Dues and Fees	\$96,883.75	\$45,291.25	\$91,611.25	\$90,734.48	\$94,073.05
Sales of Statewide Passes	328,676.00	328,410.00	342,845.00	362,825.00	374,300.00
Activities Event Registration Fees	216,693.21	196,013.58	195,582.33	187,940.17	197,787.62
Gate Receipts	1,543,771.09	1,613,151.70	1,705,247.21	1,737,228.97	1,463,733.09
Conference and Seminar Registration Fees	73,989.49	72,760.10	82,665.98	80,880.00	76,517.50
Officials Registration and Insurance Fees	114,603.00	135,880.00	133,990.00	150,219.00	149,480.00
Catastrophic Insurance Fees	237,015.00	200,000.00	200,000.00	199,000.00	199,000.00
Investment Income	77,273.49	81,767.00	79,310.94	77,508.16	1,233.06
School Fines	13,325.00	28,085.00	27,060.64	17,550.00	14,050.00
Gifts/Corporate Sponsorships and Donations	519,382.26	400,338.16	342,002.28	447,894.00	823,980.00
Miscellaneous	21,051.93	72,554.75	60,867.66	76,293.26	168,972.42
Other Revenue (Sales of Securities)	0.00	0.00	94,467.79	87,021.69	0.00
Total Revenues	\$3,242,664.22	\$3,174,251.54	\$3,355,651.08	\$3,515,094.73	\$3,563,126.74

Percent of Total Revenues from Gate Receipts	48%	51%	51%	49%	41%
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Expenditures:

Category	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Salaries and Related Expenses	\$1,073,013.25	\$1,363,639.60*	\$1,031,431.15	\$1,101,109.59	\$1,131,184.38
Non-Personnel (Office) Expenses	233,951.07	243,172.86	233,036.23	209,542.75	289,662.81
Contract Services (Attorney, Auditors)	26,408.76	58,811.96	75,915.53	143,682.80	141,819.55
Facility, Insurance and Taxes	107,594.21	106,836.82	101,122.46	135,550.59	218,876.42
Executive/Legislative Committee Meetings/Travel	53,395.71	55,284.02	58,908.54	44,014.86	39,551.73
Catastrophic Insurance	200,500.00	199,000.00	199,000.00	199,000.00	199,000.00
Activities Expense (Band, Choral, Debate, & Cheer)	210,207.78	133,253.32	141,201.62	136,942.12	137,267.43
Athletic Expense (Sponsored Sports)	772,532.87	822,754.19	895,947.88	810,092.34	796,200.95
Scholarships/Awards	30,305.87	27,860.27	27,165.99	26,258.45	34,870.04
Professional Development Conference	134,157.18	195,336.88	106,833.79	145,059.35	142,938.71
Athletic Officials Expense	63,728.20	59,027.53	49,239.11	62,016.76	76,076.95
Travel and Marketing	63,754.79	57,696.03	109,420.94	63,373.89	78,749.97
Miscellaneous	54,893.30	50,873.02	1,836.19	106,087.71	202,948.01
Total Expenditures	\$3,024,442.99	\$3,373,546.50	\$3,031,059.43	\$3,182,731.21	\$3,489,146.95

Reserves:

Long Term Investments (as of June 30)	\$1,828,944.34	\$2,035,392.74	\$2,198,550.72	\$2,380,773.72	\$2,553,584.57
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*MSHAA expended \$187,851 in payouts to three retiring employees during FY 2011.

SOURCE: MHSAA financial statements for fiscal years 2010 through 2014.

MHSAA's Mission and the Role of Extracurricular Activities Within the Context of Academics

This chapter addresses:

- MHSAA's mission statement and the core value of academic proficiency in the state's educational system;
- the role of athletics within the context of academics; and,
- the framework for PEER's review of the MHSAA.

According to the MHSAA, its mission is to provide leadership and coordination of interscholastic activities that will “enhance the educational experiences” of students and that will promote opportunities for students’ participation in interscholastic activities “while maximizing the achievement of educational goals.” To accomplish this, MHSAA should always keep academics as a priority for students, with athletics and activities serving a supplementary, enhancing role. The National Association of State Boards of Education has confirmed this principle, noting in a 2004 report that while athletics may enhance the school experience, academic achievement should be the top priority.

MHSAA's Mission Statement and the Core Value of Academic Proficiency in the State's Educational System

MHSAA's stated mission reflects the core value of academic proficiency as the foundation of Mississippi's educational system. While athletics and activities may help to achieve a well-rounded student body, the foundation is in academics. Therefore, MHSAA is responsible for maintaining an emphasis on academics, with the role of extracurricular activities being to provide a fuller, richer educational experience for students but not replacing academics as a priority.

The Mississippi High School Association Handbook states the association's mission as follows:

*The mission of the Mississippi High School Activities Association is to serve its member schools by providing leadership and coordination of interscholastic activities **which will enhance the educational experiences of secondary students** and reduce risks of their participation. The MHSAA will promote participation and sportsmanship to develop good citizens through interscholastic activities which provide equitable opportunities, positive recognition and learning experiences to students **while maximizing the achievement of educational goals.** [Emphasis added]*

MHSAA's mission statement acknowledges the importance of students' achievement of educational goals. Thus before making decisions related to athletics or activities, it is important for MHSAA to determine the academic impact of that decision in order to remain in compliance with its mission.

Athletics and activities are important enhancements to the educational system. Students may strive to do well in their academic classes in order to participate in extracurricular activities. However, as MHSAA's mission states, its leadership and coordination should ensure that extracurricular activities *enhance* the educational experiences of students. If a decision is made that may not enhance the educational experience or enhance the academic proficiency of a student, then MHSAA is not in compliance with its mission. All rules, policy changes, and proposals that MHSAA makes should be made with academic proficiency in mind.

The Role of Athletics Within the Context of Academics

The National Association of State Boards of Education has noted that while athletics may enhance the school experience, academic achievement should be the top priority. This issue is particularly important for Mississippi, since in school year 2013-14, Mississippi had a total of 105,806 student athlete participants in sixteen sports and approximately 37,000 student participants in four activities. Also, many of Mississippi's students already struggle academically.

Summary of the Report of the NASBE Commission on High School Athletics in an Era of Reform

The National Association of State Boards of Education has confirmed the principle contained in MHSAA's mission statement, stating in a 2004 report that while athletics may enhance the school experience, academic achievement should be the top priority.

In 2004, the National Association of State Boards of Education (NASBE) created a commission of national, state, and local education policymakers and stakeholders. The commission was responsible for assessing the state of high school athletics and recommending policies for adoption by states, districts, and schools. The group issued a report in 2004 entitled *The Report of the NASBE Commission on High School Athletics in an Era of Reform*.

The NASBE Commission's mission statement clearly describes what it believes to be the role of athletics within the context of academics:

The purpose of high school athletics is to enhance the whole school experience for all students. Academic achievement should always be considered the top priority. The privilege of participation in athletics should be recognized

as contributing to a student's civic, physical, and social development.

The commission also cited the following basic assumptions that it believes are necessary to understand the role of athletics within an academic context:

- All students can learn.
- All students must be held to high expectations.
- Academic achievement has precedence over extracurricular activities.
- Participation in extracurricular activities is a privilege that must be earned, not a right that is conferred.
- Involvement in extracurricular activities adds to the education of the *whole* student.
- Athletics provides *every* student with the opportunity to benefit from, and contribute to, the school environment.

With these assumptions in mind, PEER believes that any decisions made at a statewide level regarding extracurricular activities that do not support these basic assumptions should be avoided and/or prevented.

Based on the aforementioned mission statement and basic assumptions regarding students, the commission's 2004 report, *The Report of the NASBE Commission on High School Athletics in an Era of Reform*, identified several characteristics of a balanced athletic program, including the following:

- High schools are responsible for setting the foundation for academic proficiency.
- Athletes' academic progress throughout high school should be properly monitored.
- Students' athletic eligibility should be based on their progress toward completion of high school.

PEER believes that the MHSAA can and should incorporate the above-noted principles into its role and in working toward the achievement of its mission.

Why Mississippi Should Seek to Examine the Effects of Athletic and Activities Participation on Students' Academic Endeavors

In school year 2013-14, Mississippi had a total of 105,806 student athlete participants in sixteen sports and approximately 37,000 participants in four activities. Because so many of Mississippi's students participate in sports and activities, it is critical that the appropriate oversight entity examine the effects of such participation on students' academic endeavors.

In the 2013-14 school year, Mississippi had 105,806 student athlete participants in sixteen sports and approximately 37,000 participants in band, speech and debate, cheer and dance, and choral music. Most students who participate in high school

athletics will not advance to either the college or professional level as athletes. Therefore, states must focus on ensuring that students are academically prepared for college or a career.

Many national studies and rankings, in addition to the record of Mississippi's students' scores on standardized tests, have documented that many of the state's students struggle academically. For example, Mississippi recently received a grade of F and a ranking of 51st for K-12 achievement in *Education Week's 2014 Quality Counts Report*. Thus it appears that Mississippi's students may not have the knowledge they need in order to compete with students from other states or other parts of the world. Academic achievement must remain the state's top educational priority in order for students to have the best opportunity to improve.

The Framework for PEER's Review of MHSAA

PEER reviewed MHSAA's due diligence in carrying out its responsibilities to regulate member schools' athletics and activities as an enhancement of students' educational experiences while keeping academics as a priority.

As noted in the Introduction to this report, the relationship between the MHSAA and its member schools constitutes a contractual relationship for the purpose of regulating high school athletics and activities. According to MHSAA, its mission is to provide leadership and coordination of interscholastic activities that will "enhance the educational experiences" of students and that will promote opportunities for students' participation in interscholastic activities "while maximizing the achievement of educational goals." To accomplish this, MHSAA should always keep academics as a priority for students, with athletics and activities serving a supplementary, enhancing role.

Due diligence in carrying out its contractual responsibility to regulate high school athletics and activities as an enhancement of the educational experience requires that MHSAA have:

- clearly defined responsibilities for parties participating in the association's governance;
- a fully informed decisionmaking process that incorporates careful monitoring of the potential academic consequences of decisions;
- proactive regulation and monitoring of participation in athletics and activities;
- transparency in all matters of governance and oversight; and,
- full accountability for the efficient use of resources.

As an ancillary enhancement to the educational process, high school activities should be operated with an eye toward

optimal fiscal efficiency with minimal negative effect on academic achievement.

These are the primary challenges facing the MHSAA as a regulatory body and that will serve as the framework PEER has chosen for this analysis of MHSAA performance.

Does MHSAA have clearly defined responsibilities for parties participating in the association's governance?

This chapter addresses:

- MHSAA'S process for setting policy; and,
- confusion regarding decisionmaking responsibilities within MHSAA's governance.

The current edition of MHSAA's handbook does not clearly define certain areas related to the association's operation (i. e., elections and governance). The omission of such important operational standards has led to confusion among stakeholders and disagreements among MHSAA's governance bodies.

MHSAA's Process for Setting Policy

MHSAA policy requires that both the Legislative Council and the Executive Committee vote on proposals twice. Even though the Executive Committee is considered MHSAA's Board of Directors, the Legislative Council has the power to override the Executive Committee's vote to veto a proposal.

As noted on page 7, MHSAA has a multi-level governance structure to represent its member schools that includes activity districts and district executive committees at the local level, a Legislative Council, and an Executive Committee.

At the local level, each MHSAA member school principal or an authorized representative (i. e., assistant principal) acts as the voting representative and gets one vote on each item voted on at activity district meetings. Proposals must first pass by a majority vote at activity district meetings in order to be considered by the Legislative Council and Executive Committee.

If a proposal passes at the district level, it is added to the Legislative Council's agenda for the next meeting. The Legislative Council meets in October, February, and April in conjunction with meetings of the Executive Committee (which also meets later the same day without the presence of the Legislative Council).

If the Legislative Council passes a proposal at a meeting, the Executive Committee then votes on that proposal at the same joint meeting. If the Executive Committee passes that proposal, both the Executive Committee and the Legislative Council vote on that proposal a second time at the following meeting for final approval. If approved, new proposals usually go into effect the following school year. However, if the proposal fails

in the Executive Committee, the Legislative Council has the power to override that veto with a two-thirds vote of the council members present.

Confusion Regarding Decisionmaking Responsibilities within MHSAA's Governance

MHSAA's bylaws do not outline how nominations for the Executive Committee or Legislative Council should occur, the process candidates must follow to run for seats on these bodies, or how voting for representatives takes place. Also, the MHSAA does not distinguish between its constitution, bylaws, rules, regulations, and policies in its handbook.

Bylaws Do Not Outline Nomination or Voting Processes for Governing Bodies

MHSAA's bylaws do not outline how nominations for the Executive Committee or Legislative Council should occur, the process candidates must follow to run for seats on these bodies, or how voting for representatives takes place. This could limit or prohibit some individuals who desire to participate in MHSAA's governance from doing so.

Bylaws are important for clarification of how an organization's officers are elected, its purpose, and other basic matters relating to how an organization will operate. Common components of standard bylaws include a description of the requirements of the process for electing representatives or officers. Bylaws are essentially the legal guidelines for the organization.

Omitting a description of the election process from the bylaws leads to the perception that MHSAA's governance is controlled by a select few "insiders." MHSAA should include the specifics of its elections process in its constitution and bylaws. This would provide qualified individuals in member schools with this information in the event that they choose to become active in the association's governance. Inclusion of this information would also provide one means for MHSAA to be more transparent to its member schools and to other interested parties and remove some of the negative perceptions stakeholders might hold regarding the association.

Bylaws Do Not Outline Specific Provision for Closed Ballot Voting

MHSAA's bylaws do not include specified rules for closed ballot voting. This could prevent Executive Committee or Legislative Council members from requesting closed ballot voting on proposals, which might be preferential in some cases in which a member might not feel free to vote without judgment (e. g., when the members present include a member's supervisor or co-worker).

Similar to the omission of nomination or voting processes for governing bodies in its bylaws, MHSAA's bylaws do not address certain processes for closed ballot voting on proposals. While

Article 4 of MHSAA's constitution states that changes must be approved by a majority vote of the Legislative Council and concurred by a majority vote of the Executive Committee, there are no specified rules or provisions for members to request voting by closed ballot. Closed ballot is a method of voting that ensures that all votes are cast in secret, so that the voter is not influenced by another individual.

Rules for procedure should allow for voting in confidence. In a governing body, it is presumed that everyone's vote is equal. MHSAA's governance structure reflects a hierarchy of positions. Superintendents, principals, athletic directors, and coaches are elected or appointed to serve and they represent various levels within the educational environment. A secret ballot would preserve the intended equality of the votes of these individuals.

Key Terms of Constitution and Bylaws Not Defined

Because MHSAA does not distinguish between its constitution, bylaws, rules, regulations, and policies in its handbook, it is unclear as to who has the authority to make changes and to what extent. As a result, changes could be made inconsistently and/or circumvent the proper process. Stakeholders might not be able to determine to which decisionmakers they should address their concerns.

According to MHSAA's Handbook, the following parties have some responsibility in making changes to MHSAA's constitution, bylaws, rules, regulations, or policies: the Executive Committee, the Legislative Council, the Executive Director, and the activity districts.

However, statements within MHSAA's Handbook create confusion because these key terms (i. e., constitution, bylaws, rules, regulations, and policies) are not clearly defined and it is difficult to determine who has the authority to make changes and to what extent.

Confusion Regarding Governing Documents

The MHSAA Handbook has numerous references to "rules," "rules and regulations," "policy," and "policies," but it is not always clear as to what document(s) the handbook is referring.

Although the constitution and bylaws are labeled as such in the handbook at the beginning of these respective sections, the handbook has numerous references to "rules," "rules and regulations," "policy," and "policies" and it is unclear to what document(s) it is referring, since the association has its MHSAA Handbook (Part I is the constitution and bylaws and Part II is the Sports Information Manual) and a Personnel Handbook, with no sections labeled as "Rules and Regulations" or "Policies," other than separate sections within the Sports Information Manual with rules for each individual sport. Therefore, it is difficult to conclude which party is responsible

for making revisions or amendments to what governing documents. (See Exhibit 7, page 24).

Because MHSAA does not distinguish between its constitution, bylaws, rules, regulations, and policies in writing, it is unclear as to which items or proposals could be voted on solely by the Executive Committee, which items must have approval by both the Executive Committee and Legislative Council, which changes must have been voted on within an activity district, or which changes may be made or proposed by the Executive Director.

Confusion Regarding Terms for Post-Season Competition

The MHSAA Handbook refers to “state contests,” “state championship games,” and “state tournaments” when assigning responsibilities, but does not distinguish between these events, which leads to confusion.

Other closely related terms that the handbook does not define include “state contests,” “state championship games,” and “state tournaments.” When changes are proposed to the venues or to the way these contests are carried out, the lack of definitions for these terms compounds the confusion over which party is responsible for making these decisions.

MHSAA’s governance bodies should have a clear understanding of their responsibilities, powers, and limits, which should be derived from clear definitions in MHSAA’s Handbook. Without this knowledge, there could be inconsistencies in how changes are made and there is the potential for changes to be made to circumvent another group or individual. Stakeholders might not be able to determine to which decisionmakers they should address their concerns.

Examples of Confusion Regarding Similar, Undefined Terms and Responsibilities of Decisionmakers

Three recent examples outlined below demonstrate situations resulting from similar but undefined terms in MHSAA’s governing documents and confusion regarding responsibilities of MHSAA’s decisionmakers:

- the site selection decision for the 2014-2017 state football championship games;
- the recent decision regarding targeting in football; and,
- 2013 rule changes voted on by the Executive Committee.

Exhibit 7: Examples of Confusion Regarding References to MHSAA's Governing Documents

The following statements from the MHSAA Handbook demonstrate the difficulty of determining responsibility for various actions (emphasis added):

- The Executive Committee's powers--
 - Per the MHSAA Constitution, 4.1.8-2:
*Approve or disapprove all changes in the **constitution, bylaws, rules and regulations** of the Association. The Executive Committee shall have full authority to adopt **rules and regulations** which shall be uniformly effective and binding upon all members of the Association.*
 - Per MHSAA Constitution, 4.1.8-4:
*Approve or disapprove **policies** recommended by the Executive Director.*
- The Legislative Council's powers--
 - Per MHSAA Constitution, 4.3.5:
*Proposed changes to the **Constitution, Bylaws, or a rule or regulation** shall require a majority vote of the Legislative Council concurred by a majority vote of the Executive Committee. **Items** acted upon favorably at one meeting shall be presented at the following meeting for final approval.*
 - Per MHSAA Constitution, 4.3.7:
 1. Amend the **Constitution**, subject to approval by the Executive Committee.
 2. Amend the **Bylaws** or make new ones, subject to approval by the Executive Committee.
- The Executive Director's powers--
 - Per MHSAA Constitution, 5.1.4:
 2. Submit **proposals** to the Legislative Council and Executive Committee in advance of the joint meeting at which the proposal will be considered. . . .
 8. Interpret the **rules** of the Association. . . .
 13. Serve as the Executive Officer of the Association in the execution of **policies** set up by the State High School Activities Association Executive Committee. . . .
- The activity districts' role--
 - Per MHSAA Constitution, 6.5.2:
***Items or proposals** to be submitted to the Association for consideration at the next joint meeting of the Legislative Council and Executive Committee must be approved by a majority vote of an Activity District.*

SOURCE: PEER analysis of MHSAA Handbook.

Football Championship Site Selection Decision

Because MHSAA's Handbook does not clearly differentiate between "state contests," "state championship games," and "state tournaments," or clearly define who is responsible for selecting sites for each of these, there is disagreement among decisionmakers about who is responsible for such decisions.

MHSAA's Handbook 5.1.4-12 states that one duty of the Executive Director is to arrange and control all state contests. Further, MHSAA's Handbook, regarding football rules, states that the "Executive Director and his staff will select the site for the State Championship games." Based on what he believed to be his authority, the Executive Director chose the sites for the state football championships for 2014-2017. MHSAA then entered into contracts with the University of Mississippi and Mississippi State University and the Executive Director announced the site selections at a press conference on July 21, 2014. (See additional discussion of MHSAA's procurement of the sites for the football championships on pages 52 through 56.)

However, according to 10.4.1 of the MHSAA Handbook, "Game sites for all state tournaments for boys and girls are selected by the Executive Committee." Additionally, on February 6, 2014, the Executive Committee had unanimously voted to "host all championships at the best site," which indicates that the Executive Committee has some authority in site selections.

Because MHSAA does not distinguish in its handbook between the terms "state contests," "state championship games," and "state tournaments," MHSAA's governance bodies, along with member schools and the general public, might not have a clear understanding of each decisionmaker's responsibilities, powers, and limits with regard to scheduling major athletic events or activities.

Complicating matters further, the association's handbook states that the Executive Committee has "final authority over all actions of the Executive Director" and that the Executive Director works for and answers to the Executive Committee because he is employed by that committee.

At the joint Executive Committee and Legislative Council meeting in October 2014, a proposal was made to revisit the sites for the state football championships and consider adding the University of Southern Mississippi to the rotation at least every third year. Some Legislative Council members voiced displeasure over the fact that the Executive Director had made the decision without the approval of the Executive Committee. However, the vote to reconsider the sites failed 13-20.

Despite the vote failure at the joint meeting, MHSAA's Executive Committee considered revisiting the decision via its own agenda. (As noted previously, the Executive Committee meetings are held after the joint meetings of the Executive

Committee and Legislative Council on the same day.) According to the minutes, nineteen district superintendents expressed their concerns regarding MHSAA's process of selecting the state football championship sites. According to MHSAA's Executive Director, the University of Southern Mississippi will host the state football championships in 2018 and 2019.

Clearly, there is disagreement between decisionmakers about who should have been responsible for this decision. The effect is confusion and discord among decisionmakers regarding who is responsible for making such decisions and how.

Targeting Rule Decision

MHSAA's handbook does not define the conditions under which such proposals can bypass the activity districts and/or the Legislative Council.

As another example of confusion regarding responsibilities for decisionmakers, on August 13, 2014, MHSAA's Executive Director presented a "targeting proposal" for football to the Executive Committee. The minutes for that meeting read:

The new targeting rule states that a player be ejected and suspended for four complete quarters for committing a flagrant targeting violation. The proposal is to change the suspension from four quarters to the remainder of the game (effective the 2014-15 season).

The Executive Director stated to PEER staff that this proposal would benefit the coaches by reducing the penalty because it would allow players to play in the following game. Therefore, if a violation occurred in the fourth quarter, that player would be allowed to play in the very next game. A motion to accept the proposal was made and ultimately the motion carried. It is unclear as to why MHSAA did not require this "rule" to be voted on by both the Legislative Council and the Executive Committee. According to MHSAA's Handbook, proposed changes to the constitution, bylaws, or a rule or regulation require a majority vote of the Legislative Council concurred by a majority vote of the Executive Committee. However, the Legislative Council did not vote on this targeting rule. MHSAA's Handbook does not indicate whether the Executive Committee has powers to vote on "rules" without a vote by the Legislative Council. In the targeting rule example, if the Legislative Council were not in favor of the change, a proposal would have to come from the district level to change the rule.

At times, MHSAA might need to expedite a vote; however, those conditions under which such a vote are acceptable should be clearly described in MHSAA's Handbook.

2013 Rule Changes Voted on by the Executive Committee

In December 2013, the Executive Committee approved changes to the handbook that were proposed by MHSAA's Executive Director. Some of the changes involved a rule on "independent teams" that had previously been voted on in joint meetings of the Legislative Council and Executive Committee. It is unclear why the Executive Director was not consistent with which bodies were presented with changes to this rule or why the Legislative Council was not required to vote on these changes. Stakeholders could view this as an attempt by the Executive Director and Executive Committee to circumvent the Legislative Council.

On November 1, 2012, and February 7, 2013, the following district proposal was presented, voted on, and passed by the Executive Committee and Legislative Council:

District III Proposal (soccer): Exemption on the limitation on the number of soccer players on a specific high school team should be lifted. During discussion it was stated that the MHSAA Handbook states, "During the school's sports seasons an independent team can be made up of no more than 50 percent of the number that make up the starting number of players for that sport from any one school. Exception: Five starters in soccer must be identified by the coach." With the exception of soccer, this allows more than five players on a high school team from an outside team.

In September 2013, the Executive Director addressed the Executive Committee only concerning the 50% rule for soccer. He stated that the Legislative Council and Executive Committee voted and passed to delete the exception for soccer. The Executive Director stated that the exception aligns the sport of soccer with other MHSAA sports regarding the 50% rule and independent team play. Two athletic directors appeared before the committee concerning the 50% rule. The athletic directors stated that by deleting the soccer exception, school soccer programs would suffer, particularly those in rural areas of the state. The MHSAA President noted that no proposal was presented at any of the district meetings to change the rule. The Executive Committee voted 13-1 to abide by the current 50% rule for soccer.

In December 2013, the Executive Director asked that the board consider and vote on the following changes to MHSAA's handbook: Page 52, 6.2.1: (Independent teams) Change 50% to 60%. "During the school year an independent team can be made of no more than 50% of the number that make up the starting number of players for that sport from any one school." The Executive Committee voted 11-1-1 abstention to change the rule.

The Committee made additional changes to the handbook to coincide with the new rule. These rule changes were not

presented to the Legislative Council at a subsequent meeting for a vote. The 2014-15 Handbook reflects the aforementioned changes. It is unclear why the Executive Director was not consistent with which bodies were presented with changes to this rule or why the Legislative Council was not required to vote on these changes. Stakeholders could view this as an attempt by the Executive Director and Executive Committee to circumvent the Legislative Council.

Does MHSAA have a fully informed decisionmaking process that incorporates careful monitoring of the potential academic and financial consequences of decisions?

This chapter will address:

- whether MHSAA considers vetted research regarding the “big picture” effects of athletics on students’ academic progress and schools’ budgets in its decisionmaking; and,
- whether MHSAA considers state- or local-level data detailing a proposal’s potential educational and financial effects when making rule or policy changes.

When considering changes to policies or rules, MHSAA does not have the data that it needs to ensure that the association focuses on academics (e. g., minimizing the loss of instructional time of those students involved in sports and activities). Thus, MHSAA does not ensure that one of the core values expressed in its mission--“maximizing the achievement of educational goals”--is kept central to its decisionmaking processes. Also, MHSAA does not have the fiscal information needed to show the impact of athletics and/or activities on schools’ budgets.

As evidenced on pages 7-12, many individuals at the district and state level of MHSAA governance have decisionmaking powers that determine the policies or rules that govern high school athletics and activities events statewide. Because these decisions affect member schools and their students, it is imperative that decisionmakers have the data that they need to make informed decisions. These decisions should be aligned with MHSAA’s mission to serve member schools and “enhance the educational experiences of secondary students. . .while maximizing the achievement of educational goals.” In effect, the decisions made by the MHSAA governance structure are *educational* decisions. Also, decisions must be made to achieve optimal efficiency so that member schools’ budgets are not adversely affected.

No Data Collected on the “Big Picture” Effects of Athletics on Mississippi Students’ Academic Progress and Member Schools’ Budgets

Neither the MHSAA Executive Committee nor the Legislative Council requires the collection or analysis of student-level data needed to determine the “big picture” effects of athletics on Mississippi students’ educational achievement and on member schools’ budgets. For example, if properly collected and reported,

MHSAA could use data on students' absences related to athletics to make more informed decisions affecting member schools and students. Without such information, MHSAA could make a decision or combination of decisions without realizing the true impact of athletics and activities on students' educational achievement and schools' budgets over time.

The *2004 Report of the NASBE Commission on High School Athletics in an Era of Reform* acknowledges the need for research into the factors involved in the interface of academics and athletics. The report suggests that state boards of education should have a strong relationship with activities associations and that decisionmakers should obtain more data and information on the impact of athletics on student achievement.

NASBE notes that decisionmakers need knowledge of athletics and activities budgets, academic achievement of the general student body versus participants, and behavioral performance of the general student body versus participants.

Although the MHSAA recognizes academic achievements of student athletes through programs such as the Lindy Callahan Scholarship Program, neither the Executive Committee nor the Legislative Council requires the collection and analysis of student-level data needed to determine the "big-picture" effects of athletics on Mississippi students' educational achievement and on member schools' budgets. Currently, the MHSAA does not focus on comparative data that demonstrates the extent to which participation in athletics and/or activities affects academics for Mississippi students. Responses to PEER's survey revealed that the majority of administrators indicated that their school does not collect any of the following information that demonstrates the extent to which participation in athletics/activities affects academics for students:

- academic performance of participants versus non-participants;
- academic performance of participants in season versus out of season;
- absenteeism of participants versus non-participants;
- class time lost for participants versus non-participants;
- participation in advanced courses by participants versus non-participants; and,
- graduation rates of participants versus non-participants.

MHSAA states that local school districts are responsible for determining how much instructional time is lost, for example. PEER contends that without statewide knowledge of this information, MHSAA cannot provide assurance to its stakeholders that the decisions that MHSAA's Executive Committee and Legislative Council make are maximizing the achievement of educational goals of member schools and students.

From interviews with MHSAA staff and feedback from survey questions, PEER determined that decisionmakers lack the fiscal information to establish the impact of athletics and/or activities on its member schools' budgets. MHSAA staff conveyed some of the difficulty in determining the impact because there are numerous factors that must be considered (e.g., gate receipts vary widely depending on the school). Also, MHSAA does not have accounting codes that would determine how much a specific school paid to MHSAA within a certain timeframe.

NASBE notes that a state has an obligation to maintain fiscal knowledge of high school athletics in order to ensure equity in access. PEER agrees and believes that fiscal knowledge is also imperative to ensuring efficiency. When decisionmakers know the extent of resources being collected and expended for athletics and activities, they are better able to make decisions on issues such as season lengths and maximum numbers of games played.

PEER notes that not only does MSHAA not collect this information on athletes' academic performance, but also there is no provision in law that requires that local districts or the Mississippi Board of Education prepare reports on the academic performance of athletes. Despite this lack of information and reporting, the state has policies regarding the academic performance of students and permissible absences of students who participate in athletics and other extracurricular activities offered through the state's school districts. In view of this, it would appear that the state, as well as MSHAA, would have an interest in understanding the impact of athletic programs on students who attend public schools.

Unless individual schools or districts track actual absences due to school-related activities, valuable information, such as the amount of instruction time lost due to participation, is lost. If properly collected and reported, MHSAA could use that information to make more informed decisions.

The MHSAA has a responsibility to make critical decisions regarding the scope of regulated activities in light of academically relevant issues. One such issue is school attendance and how extracurricular activities relate to student academic performance due to missing valuable class time.

According to MISS. CODE ANN. Section 37-13-91 (1972):

An absence is excused when the absence results from the compulsory-school-age child's attendance at an authorized school activity with the prior approval of the superintendent of the school district, or his designee. These activities may include field trips, athletic contests, student conventions, musical festivals and any similar activity.

However, the Mississippi Department of Education's State Board Policy 3102 states:

*If a compulsory-school-age child is **participating in an authorized school activity** with the prior approval of the superintendent of the school district, or his/her designee, the student is considered **PRESENT** for average daily attendance reporting purposes. The activities include, but are not limited to:*

- a. Official Organized Events Sponsored by the 4-H*
- b. Future Farmers of America*
- c. Junior Livestock Shows*
- d. Rodeo Events*
- e. Official Employment as a Page at the State Capitol*
- f. Subject-Matter Field Trips*
- g. Athletic Contest*
- h. Student Conventions*
- i. Music Festivals or Contest*

Thus although state law authorizes schools to record a student absence due to participation in an authorized school activity as an *excused absence*, MDE Board Policy allows such an absence to be recorded as the student being *present* for average daily attendance reporting purposes. Unless the individual school or district makes provision for tracking the absence as an absence, regardless of how else it may be recorded for average daily attendance purposes, valuable information, such as the amount of instruction time lost due to participation in athletics/activities, is lost. If properly collected and reported, MHSAA could use that information when making decisions related to athletics and activities.

The conflicting state law and board policy should be addressed and perfected in light of the MHSAA's need for academically relevant data in its decisionmaking process. Adjustments to the mandates would make it possible for organizations such as the MHSAA to make more informed decisions when creating and altering rules and regulations. However, PEER believes that regardless of how Mississippi schools collect attendance data, MHSAA should proactively collect or monitor data related to loss of instruction time due to participation in athletics/activities if the association truly desires to make decisions guided by academically relevant data.

No Consideration of State- or Local-Level Data Detailing a Policy Proposal's Potential Educational and Financial Effects

MHSAA does not require that activity districts' proposals to the Executive Committee and Legislative Council are accompanied by accurate and detailed information on the associated potential educational and financial effects on

member schools and students. As a result, a decision or combination of decisions could be made without the decisionmakers realizing the true impact of MHSAA rule or policy changes on student absences or on individual schools' financial situations.

MHSAA notes in its mission statement that it is concerned with “maximizing the achievement of educational goals.” To do so, PEER believes that it is critical that MHSAA help protect student attendance and classroom time and that the association should strive to see that schools are not burdened with unnecessary financial strain in providing extracurricular opportunities.

In order to make fully informed decisions in furtherance of the association’s mission, MHSAA decisionmakers need to know the current condition and effects of athletics/activities on students’ academic achievement and on member schools’ finances. At present, these current conditions are unknown because instructional time lost due to athletics/activities is not tracked/reported on a statewide level, comparative information is not collected and compiled for statewide decisionmaking, and decisionmakers do not have sufficient information on member schools’ athletics/activities budgets.

PEER reviewed minutes of the Legislative Council and Executive Committee for the period of 2010 through October 2014. The MHSAA constitution 5.1.4 #2 notes that one of the duties of the Executive Director is to “submit proposals to the Legislative Council and Executive Committee in advance of the joint meeting at which the proposal will be considered” and in some cases, the Executive Director has noted that a proposal may cause an increase in the number of student absences. However, although a proposal may include technical details (e. g., how many teams may advance through the playoff season and from which classifications), it is not accompanied by specific comparative data on the potential academic and financial effects.

In October 2014, PEER staff attended a joint meeting of MHSAA’s Legislative Council and Executive Committee. During that meeting, eight proposals were introduced. These two governing bodies voted on and passed proposals with no one present to speak on the proposals and without supporting data needed to help determine what impact the proposals might have on students or on schools’ finances.

The following sections describe the MHSAA’s recent decisionmaking processes for:

- expanding the high school basketball playoffs/championship; and,
- expanding the high school baseball playoffs/championship.

Decision to Expand the MHSAA High School Basketball Playoffs/Championship

According to February 2014 minutes, MHSAA's Legislative Council and Executive Committee voted to expand the boys' and girls' basketball playoffs/championships from thirty-six games to eighty-four games. However, no data was presented to these decisionmaking groups regarding to what extent the decision would affect student attendance (including how many students and schools would be affected), how much instructional time would be missed, and what specific academic conflicts could occur (e. g., a potential conflict with nine weeks' exams).

Prior to the 2014-2015 school year, MHSAA member schools participated in a North Mississippi basketball tournament or South Mississippi basketball tournament at the end of the season. These tournaments determined which teams would advance to the state high school basketball championships. The structure allowed for thirty-six games to be played over eight days.

A proposal voted on in October 2013 and February 2014 and approved by the MHSAA will now allow 1A-4A schools to advance four teams to the state tournament from each regional tournament and three teams to advance from 5A-6A schools. This new structure will introduce quarterfinal rounds, lengthening the process to eighty-four games⁴ being played over twelve days at two sites:

- March 3-7, 2015: boys' quarterfinals at the Jackson State University Athletics and Assembly Center, Jackson (twenty-four games);
- March 4-7, 2015: girls' quarterfinals, Mississippi Coliseum, Jackson (twenty-four games); and,
- March 9-14, 2015: boys' and girls' semifinals and finals, Mississippi Coliseum, Jackson (twenty-four semifinal games and twelve championship games).

According to Legislative Council/Executive Committee meeting minutes, interviews with MHSAA staff, and the District 1 proposal for the change, the primary purpose for this decision was "to eliminate the North/South tournaments and allow more teams to compete and to increase the number of students who would be able to experience going to the state games." The proposal also cited other reasons, including "the elimination of small gate receipts from playing games on Thursdays and a reduction of travel time for schools;" however, the proposal included no supporting documentation to show whether the reduction of travel time would be true for all participating schools.

⁴The vote to expand the championship from thirty-six games played over eight days to ninety-eight games played over twelve days was first approved during the Executive Committee and Legislative Council's October 2013 meeting. The subsequent vote, for final approval, took place during the February 2014 meeting and was for eighty-four games to be played over twelve days.

Before the first vote was taken on the proposal in October 2013, the minutes note that MHSAA's Executive Director reminded those in attendance that "more school days would be missed" due to the increase in the number of games played. However, no detailed information on the number of days that might be missed was presented and it was not made clear to those voting to what extent the decision would affect student attendance, including how many students and schools would be affected and what academic conflicts could occur (e. g., a potential conflict with nine weeks' exams).

The expansion of the state basketball playoffs very likely will increase the number of student absences and amount of instructional time lost. During 2014, approximately sixty-one percent of high school basketball teams (159 of 259 teams) advanced to the state playoffs. Based on an estimate of fifteen basketball players per team, PEER estimates that at least 2,300 players participated in the state playoffs in 2014. This estimate does not take into account the additional players that might be participating this year in the extended playoff system.

PEER also notes that a cursory review of district calendars showed that many high schools will be conducting nine weeks' exams during quarterfinal rounds in 2015.

PEER acknowledges that playing in the playoffs must be an exciting time for deserving teams. However, PEER analyzed the 2014 basketball playoff and championship brackets and found that the majority of teams with losing seasons were eliminated in the very first round. Expanding the event to allow more teams to compete in the state games will make it possible for MHSAA to collect more revenue from gate receipts (with a potential increase in costs), but will not likely change the athletic outcome of the competition. In response to PEER's survey, schools reported that they realized a financial loss from their participation in post-season athletics, which further calls into question the actual benefit of unsuccessful teams "paying to lose" just to experience going to the state games. This rationale is not in the best interest of the students or the public. Only those students playing on the best teams in the state should be awarded the opportunity to compete in the state playoffs.

The proposal passed both governance bodies at the October 2013 meeting and received final approval at the February 2014 meeting (see page 20 for a description of the governance bodies' voting process). MHSAA's Legislative Council and Executive Committee made this decision without considering details on the potential academic and financial effects this decision could have on students and member schools. Because MHSAA's elected leadership has a responsibility to its member schools to act in their best interest and to seek to further MHSAA's mission, the activity districts should ensure that proposals to the governing bodies be accompanied by sufficient data upon which to base such decisions.

Decision to Expand the MHSAA High School State Baseball Playoffs/Championship

At its October 2014 meeting, MHSAA's Legislative Council and Executive Committee cast the first of two votes (the second of which is planned for February 2015) to increase the number of baseball teams competing in the playoffs. The rationale was that more students would be able to participate in the playoffs and the number of teams would be "more in alignment" with football and basketball. Similar to the decision regarding expansion of the basketball playoffs, PEER questions the lack of data presented to decisionmakers to show the potential academic and financial effects of this decision on students and member schools.

At the October 2014 MHSAA Legislative Council/Executive Committee meeting, a proposal from District 1 was to increase the number of teams competing in the baseball playoffs in Classes 1A-4A. The proposal included the following language:

Rationale: Allow more student athletes to participate in the state playoffs. This will allow 66% of 1A-4A teams to advance to the playoffs, does not affect 5A-6A, which already takes 75% of teams. Typically all the number one seeds that had a bye in the last three years have scheduled games with a respective number one seed from other classifications to avoid a long layoff. Football and basketball take the top four teams each year—this would be in alignment with these sports.

No supporting data was presented to show any potential effects on students' attendance or schools' athletic budgets. The proposal passed unanimously with no discussion. Because it was a first proposal and all proposals must be voted on twice, the Executive Committee and Legislative Council will cast a second vote on the proposal at the next meeting in February 2015.

Similar to the expansion of the basketball playoffs, this expansion of the baseball playoffs would most likely require more student absences from schools and could potentially create additional travel costs and conflicts with schools' exams and graduation ceremonies.

Is MHSAA proactive in its regulation and monitoring of athletics and activities?

According to MHSAA administration, the association considers its primary regulatory functions to be scheduling athletic contests, seasons, and activity events and determining player eligibility.

This chapter addresses MHSAA's:

- scheduling of athletic contests and seasons;
- monitoring for compliance with eligibility requirements; and,
- investigation and resolution of complaints and penalties.

Although MHSAA has rules in place that could act as a means to deter hindrances to academic achievement, it does not proactively monitor adherence to these rules.

Scheduling of Athletic Contests and Seasons

MHSAA has some measures in place to help ensure that schools adhere to the athletic calendar and has the authority to impose a significant penalty for infractions, which could inhibit non-compliance by member schools. However, MHSAA could be more proactive in enforcing season lengths and maximum number of contests, which could affect students' academic efforts. Also, since MHSAA encourages students to participate in multiple sports and in activities, the association should consider the potential effect of the total number of contests and events held during the school year.

According to MHSAA's Handbook, the MHSAA sports season for a school team is defined as "that period beginning with the opening date of practice as called by each coach within the official starting dates and extending through the school team's last game of the season to include playoff games and the state championships, if applicable, in a particular sport." MHSAA's sports calendar lists key dates such as the following for each sport: date practice may begin, first game date, maximum number of contests allowed, maximum number of contests allowed during the school week (i. e., Monday through Thursday), and end of season date.

Sports Season Lengths

Although MHSAA sets sports season lengths and has some measures in place to help ensure compliance by schools, the association could improve its enforcement of these guidelines by monitoring schools' adherence on a

routine basis, using a random sampling method on schedules prior to the athletic season. By doing this, MHSAA could better ensure that schools refrain from overscheduling student athletes, which could affect their ability to keep up with academic responsibilities.

MHSAA limits season lengths in an effort to construct athletic calendars in a way that will allow students to participate in multiple sports if they so desire. The MHSAA Handbook states, “Designating season’s length is an attempt to provide balance to the athletic calendar and to afford students an opportunity to compete in a variety of sports throughout the school year.” MHSAA does not state that it sets these limits to help students to maximize achievement of their educational goals, but rather to make it possible for students to participate in more sports and activities.

Rather than enforcing season length requirements through proactive monitoring using a random sampling method, MHSAA places the primary responsibility for ensuring an athletic program’s adherence to season lengths on member schools’ principals. The MHSAA Handbook states, “The school principal shall be responsible for assuring that coaches under his/her charge are in strict compliance with the provisions of the sports season rule.” Based on comments made by MHSAA administration, the association operates in a primarily reactive mode regarding information on potential violations of sports season lengths. MHSAA staff does, however, send reminders to member schools to adhere to the calendar. MHSAA staff also claim to review schedules when schools submit them; however, MHSAA does not have a documented process by which its staff reviews schedules to ensure compliance. MHSAA claims that the fear of penalty for violating season guidelines (i. e., the violating team would be ineligible to compete in post-season play) is effective in ensuring compliance. Also, MHSAA states that its use of a software system to assign officials to games allows them to monitor how often schools are playing and that if violations occur, they would be easily noticed.

While these efforts are certainly worthy and PEER does not have information to show the likelihood of schools violating the season rules without detection, PEER staff would suggest that MHSAA could improve its monitoring of schedules by employing a random sampling method of schools’ athletic schedules prior to the start of the athletic season. If MHSAA staff has evidence to believe that schools do not violate the season rules, this sampling method could be adjusted so that a smaller number of schedules would be reviewed on a regular basis, as determined by MHSAA staff.

One of the association’s chief purposes is to regulate and monitor the athletics and activities of member schools. As noted on page 5, Article 2 of MHSAA’s constitution states that one of its purposes is “planning, directing, and controlling contests, games, and other interscholastic activities.” However, by placing primary responsibility for ensuring member schools’ adherence to season lengths on principals, MHSAA is not being

proactive in its monitoring of schools' adherence to these requirements (e. g., a random check of teams' schedules).

If sports season lengths are out of compliance with MHSAA requirements, some teams could begin practicing early and playing more games, which could give them a competitive advantage over other member schools that have followed the sports season guidelines. More importantly, these types of violations could affect the amount of time that students have to prepare for classes and complete assignments, which would subsequently affect achievement of their academic goals.

Maximum Number of Athletic Contests Allowed Per Week

Although MHSAA's sports calendar sets limits on the number of contests allowed per school week, according to the Executive Director, the rationale for this is based on the level of contest attendance for certain sports. This rationale does not take into account the fact that students should be focused on academics during the school week and thus should be limited to a reasonable number of games in all sports.

According to MHSAA's Handbook, the association limits the following sports to one contest during the school week (Monday through Thursday):

- swimming;
- football;
- soccer;
- bowling;
- basketball;
- powerlifting;
- baseball; and,
- archery.

Again, according to the handbook, MHSAA limits the following sports to two contests during the school week (Monday through Thursday):

- volleyball;
- slow-pitch softball;
- fast pitch softball;
- golf;
- tennis; and,
- track.

None of these contest limits apply to post-season play.

MHSAA's Executive Director stated that the rationale for the maximum number of contests allowed per school week is based on contest attendance. Coaches of sports that are "attended more" (e. g., basketball) are only allowed to schedule

one contest during the school week, whereas coaches of sports that are “attended less” (e. g., tennis) are allowed to schedule two contests during the school week. This logic is not in alignment with MHSAA’s mission of enabling students to maximize the achievement of their educational goals because it ignores the concept that students should be focused on academics during the school week and thus should be limited to a reasonable number of games in all sports.

MHSAA administration states that the penalty for exceeding the amount of set games per season is that the offending school will not be able to participate in post-season play. However, the MHSAA staff does not count the number of games scheduled per week when a school submits its schedules and does not take any other steps to actively monitor the number of contests scheduled. MHSAA administration stated to PEER that when it receives schools’ schedules, it does not compare those schedules to the rules outlined in the handbook pertaining to the maximum number of contests in a week.

PEER believes it is imperative for MHSAA, as a regulatory body, to monitor schools’ athletic schedules to protect the academic pursuits of students and “enhance their educational experiences” as stated in its mission. If schools are playing more than the maximum number of contests each week, the result could be subpar academic performance of some student athletes.

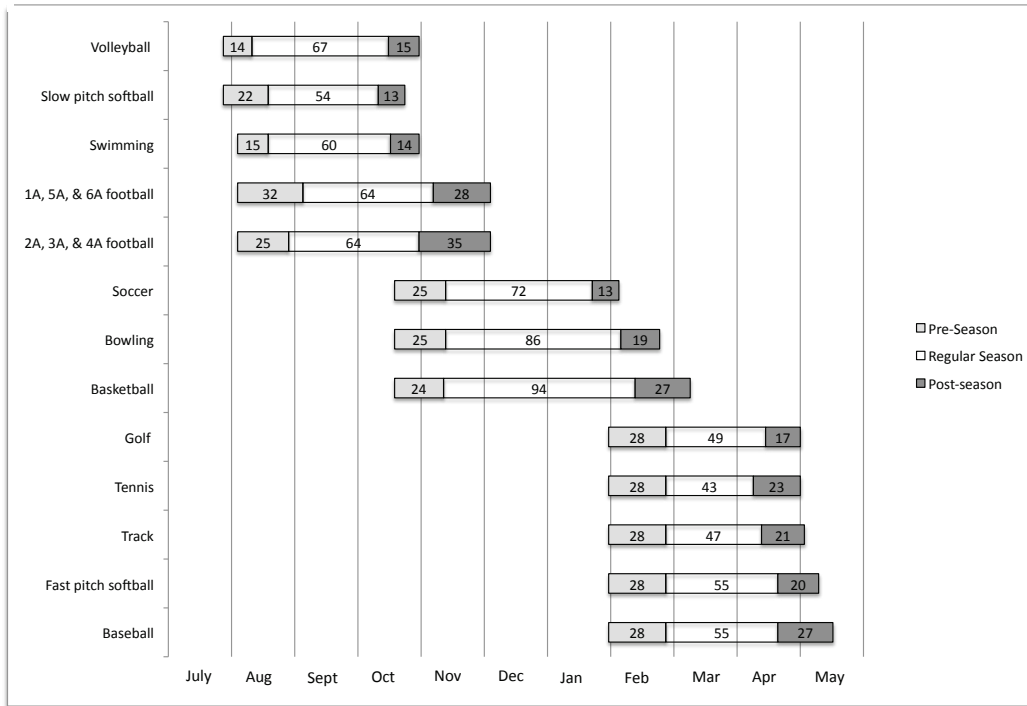
Potential Effect of the Total Number of Contests and Events Held During the School Year

Based on the number of athletic contests that MHSAA allows per sports season, the picture is one of heavy time commitments for students that are multiplied when multi-sport athletes are involved. The association should consider the potential effect of the total number of contests, as well as the number of activity events, that occur during the school year.

PEER reviewed MHSAA’s sports calendar for the 2013-14 season and noted the number of games that would have to be played each week in order to play the number of athletic contests allowed during a season and how the seasons overlap and interact. The resulting picture is one of heavy time commitments on students that are multiplied when multi-sport athletes are involved. See Exhibit 8, page 41, for an illustration of MHSAA’s 2014-2015 season lengths (including pre-season, regular season, and post-season) by sport.

For example, in baseball, the first game of the 2013-14 regular season could be played beginning on March 3, 2014, and the last game had to be played by April 26, 2014. Therefore, coaches had to schedule all regular season games within that eight-week period. MHSAA allowed twenty-six games to be played during the regular season and schools were restricted to one contest during each school week (Monday through Thursday) and the remainder of the games on the weekends

Exhibit 8: MHSAA Sports Season Lengths: Number of Calendar Days in Pre-Season, Regular Season, and Post-Season by Sport, 2014-15 School Year



NOTE: PEER could not determine regular season lengths for archery, cross country, and powerlifting.
 SOURCE: PEER analysis of MHSAA sports calendar for the 2014-15 school year.

(Friday and Saturday). Most coaches attempt to play the maximum number of games in order to keep their team in a competitive position for post-season play. In order for coaches to play twenty-six games in eight weeks, if they only scheduled one game during the school week for each week, they would have to schedule the remaining eighteen games on the weekends. Therefore, student athletes played at least two games every weekend, plus one game during the school week. (See Exhibit 9, page 42, for an example of a high school baseball schedule during the regular season.) If a baseball player participated in multiple sports, which is something MHSAA states in its handbook that it encourages (see page 38), the total number of games played during the school year, both during the week and on weekends, would be considerably

Exhibit 9: Example of a High School Baseball Schedule for the 2013-14 School Year

February 2014							March 2014						
Sun.	Mon.	Tue.	Wed.	Thr.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thr.	Fri.	Sat.
						1							1
2	3	4	5	6	7	8	2	3	4	5	6	7	8
Practice Begins								X				X	X
9	10	11	12	13	14	15	9	10*	11	12	13	14	15
								X		X	X		X
16	17	18	19	20	21	22	16	17	18	19	20	21	22
									X			X	X
23	24	25	26	27	28		23	24	25	26	27	28	29
							30	31	X			X	X
April 2014							May 2014						
Sun.	Mon.	Tue.	Wed.	Thr.	Fri.	Sat.	Sun.	Mon.	Tue.	Wed.	Thr.	Fri.	Sat.
		1	2	3	4	5					1	2	3
		X			X	X							
6	7	8	9	10	11	12	4	5	6	7	8	9	10
		X			X	X							
13	14	15	16	17	18	19	11	12	13	14	15	16	17
		X			XX	X							
20	21	22	23	24	25	26	18	19	20	21	22	23	24
		X			X	X			State Finals				
27	28	29	30				25	26	27	28	29	30	31

*The week of March 10th represents Spring Break; coaches typically schedule more games during Spring Break.

X=regular baseball game

SOURCE: PEER analysis of MHSAA sports calendar for the 2013-14 school year.

more. Given the season schedules for sports and activities, conflicts with academics would be highly likely.

Based on the heavy time requirements that the current NHSAA all sports calendar potentially places on student athletes, it is incumbent on the MHSAA to proactively control its events calendar and its participation allowances and requirements to minimize impact on absences, study, and down time. To do so, PEER again emphasizes the need for accurate and complete information on how participation actually affects the population of student athletes relative to their academic and other important life commitments.

From an anecdotal perspective, some stakeholders have also questioned whether the MHSAA prioritizes students' academic success in its regulation of sports season lengths and maximum number of contests per week. Forty percent of the teachers responding to the PEER survey agreed or strongly agreed that students' participation in athletics has a negative effect on some student's academic performance.

Twenty-four percent of the teachers responding believe that students' participation in more than one sport or activity negatively affects some students' performance. (See Appendix A, page 83, for details on the survey.) Because MHSAA encourages athletes to play multiple sports and to participate in activities, it is imperative that decisionmakers know whether and to what extent multi-sport participation affects student achievement (see page 37). (See Exhibits 10 and 11, pages 44 and 45, for the 2014-2015 MHSAA athletics and activities calendars.)

Once again, PEER asserts that students should be able to participate in extracurricular activities to enhance their educational experiences, but if those activities consistently create conflicts with academics, then the entity responsible for monitoring extracurricular activities to ensure that academics remains the priority has not achieved its mission.

Exhibit 10:

MISSISSIPPI HIGH SCHOOL ACTIVITIES ASSOCIATION 2014-2015 SPORTS CALENDAR

Activities Dead Time – Determined by
each school

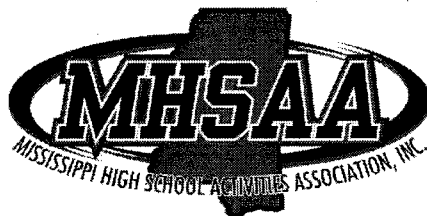
Dead Time – Determined by
each school

Revised 7/30/14 1:23 PM

SPORT	Practice Begins	Scrimmage	Classic Games	First Game	Maximum Contest Season	Contest School Wk	End of Season	Region Tournament	1 st Round	2 nd Round	3 rd Round	North/South	State Finals
Baseball 1	July 28	Aug. 2	Aug. 8-9	Aug. 11	22 playing dates including 4 tournaments* *Weekend Only	2	Oct. 16	Playin Oct. 18	Oct. 21	Oct. 25		Oct. 28	Nov. 1 Site TBD Not at MC
Baseball 2 & 3							Oct. 18	Playin Oct. 21	Oct. 25	-			
Slow Pitch Softball	July 28	Aug. 9	Aug. 15-16	Aug. 19	26 (Tourm)	2	Oct. 11	Playin 5A, 6A Oct. 14	1A, 2A, 3A, 4A Oct. 14	Oct. 18		Oct. 21	Oct. 25
Swimming	Aug. 4	Aug. 9	Aug. 16	Aug. 19	8	1						Oct. 18	Nov. 1
X-County	Aug. 4			Aug. 19	11								Nov. 8
1A, 5A, & 6A Football	Aug. 4	Aug. 15	Aug. 21 or 22 or Aug. 29	Sept. 5	10	1	Nov. 7		Nov. 14				Dec. 5-6
2A-3A-4A Football	Aug. 4	Aug. 15	Aug. 21 or 22	Aug. 29			Oct. 31		Nov. 7	Nov. 14	Nov. 21	Nov. 28	
Soccer	Oct. 20	Nov. 1	Nov. 8 Nov. 11	Nov. 14	21 (Tourm)	1	Jan. 24		Jan. 27	Jan. 31		Feb. 3	Feb. 7
Bowling	Oct. 20			Nov. 14	12	1	Feb. 7	On or before Feb. 14					Feb. 27
Basketball	Oct. 20	Nov. 1	Nov. 6, 8, 11	Nov. 13	26 (Tourm)	1	Feb. 14	Feb. 16-21	Feb. 23-24	Feb. 27-28			Mar. 4-14
Basketball Non-Football	Oct. 20	Nov. 1	Nov. 6, 8, 11	Nov. 13	30 (Tourm)	1							
Powerlifting	Oct. 20				4	1					Feb. 9	Mar. 7	April 18
Golf	Feb. 2			March 2	16	2		April 20-25					May 4-5 May 6-7
Tennis	Feb. 2			March 2	16	2	April 13		April 20	April 27	May 2		May 5-7
Track	Feb. 2			March 2	13	2		Division April 18		Region April 25		May 2	May 8-9
Fast Pitch Softball	Feb. 2	Feb. 21	Feb. 27-28	March 2	26 (Tourm)	2	April 25	Play In Apr. 23, 24	April 27, 28	May 1, 2	N/S	May 8-9	May 15-16
Baseball	Feb. 2	Feb. 21	Feb. 27-28	March 2	26 (Tourm)	1	April 25	Play In Apr. 23-25	April 28, 30, May 1	May 5, 7, 8		May 12, 15, 16	May 19-23
Archery	Feb. 2			March 2		1	April 25						N/A

TWO Classic Game allowed for all sports except football. Only one Classic Game for football. The game will count on the overall record, but not on the tie-breaker.
The first junior high basketball game will be October 27. No basketball division games should be played until after the first weekend in December. * Volleyball Tournaments can be played only on weekends.
With the new high school testing windows, coordination between Athletic Directors and District Test Coordinators will be more important than ever.

Exhibit 11:



APPROVED 2014 - 2015 ACTIVITIES CALENDAR

Fall Choral Directors Meeting (MHSAA Bldg, Clinton, MS).....	August 9, 2014
.....	Sr. High – 10:00 a.m.
.....	Jr. High – 1:00 p.m.
Fall Band Directors Meeting (Ridgeland H. S.) 2:00 p.m.	August 23, 2014
Speech/Debate Workshop (MHSAA Bldg)	Aug. 22-23, 2014
Sr. High Choral Chairpersons Meet (MHSAA Bldg.) 10:00 a.m.	September 12, 2014
Jr. High Choral Chairpersons Meet (MHSAA Bldg.) 10:00 a.m.....	September 19, 2014
State Regional Marching Evaluations.....	October 11, 2014
.....	Region I - Tupelo High School
.....	Region II - Grenada High School
.....	Region III – EMCC, Meridian
.....	Region IV - Pearl High School
.....	Region V - Gulfport High School
MBA/MHSAA Championship Marching	Nov. 1, 2014
.....	Pearl High School
.....	Clinton High School
Middle School/Jr. Hi/JV Cheer/Dance Competition (TBA).....	Nov. 15, 2014
State Band Clinic (Natchez).....	December 10-13, 2014
State High School Cheer/Dance Championships (JXN Coliseum) ..	December 12-13, 2014
Winter Choral Directors Meeting (MHSAA Bldg, Clinton, MS).....	January 10, 2015
.....	Jr. High – 10:00 a.m.
.....	Sr. High – 1:00 p.m.
Cheer / Dance Coaches Convention (Richland Community Center).....	February 18, 2015
District Choral Festivals Completed	March 7, 2015
Choral Art Festival (MS College, Clinton, MS)	April 10, 2015
MMEA Convention.....	March 19-21, 2015
State Concert Band Evaluation (Pearl & Ridgeland).....	March 23-27, 2015
State Choral Festival (Pearl High School)	April 15-17, 2015
State Speech/Debate Championship (Ridgeland High School)	April 24, 2015

Monitoring for Compliance with Eligibility Requirements

MHSAA has not taken a proactive approach to enforce its student athlete eligibility requirements because it does not audit schools' eligibility files to ensure compliance. Also, MHSAA's bylaws regarding academic eligibility do not follow state law because they do not base eligibility on state law's cumulative grade point average requirement.

Lack of an Audit Function for Eligibility

MHSAA requires that schools maintain eligibility information on each student-athlete, but does not audit schools to ensure compliance. Thus, MHSAA has not taken a proactive approach to enforce its eligibility requirements and ensure that all athletes are eligible to play under the rules of MHSAA.

Player eligibility rules are designed to protect the student (e. g., evidence of a physical examination and of academic progress) and to help ensure fairness in competition (e. g., age requirements). MHSAA's Handbook sets out the responsibilities of member schools related to player eligibility. Specifically, member schools "shall maintain information on each student-athlete in a place to be determined by the principal. A school failing to adhere to all required rules and/or failing to have all required eligibility forms properly completed, signed and maintained shall be subject to a penalty." The MHSAA Handbook states that the following documents are required as proof of eligibility of each student athlete:

- legal proof of birth;
- current medical examination form;
- completed and properly signed parental consent form;
- official copy of grades readily available; and,
- official copy of the student's transcript.

The handbook also recommends that the school maintain a completed and properly signed substance abuse/misuse contract for each student athlete.

The handbook further states, "It shall be the school's responsibility to verify and certify that each student is eligible under all MHSAA's eligibility rules and should keep a filed copy of eligibility documents." If the eligibility of a player is questioned, the principal has the right to ask the MHSAA Executive Director for a ruling on the player's eligibility. A principal may make a written request for an eligibility ruling on a player from his/her own school or from another school.

MHSAA does not have an audit function that would require staff to conduct random checks of member schools' compliance with their policies. Some other states' high school activity associations, such as Alabama's, have staff assigned to

check member schools' student records to ensure that a variety of documentation of eligibility (both similar to and beyond what MHSAA requires) is present--for example, records of attendance and insurance information. MHSAA staff acknowledged that they do not audit member schools' student records for compliance; therefore, responsibility rests solely with the schools. Without this audit function, MHSAA's stakeholders cannot be assured that all players are eligible to play under the rules of the association.

Bylaws Regarding Academic Eligibility Not in Compliance with State Law

MISS. CODE ANN. Section 37-11-65 (1972) provides that in order to participate in athletics, students must have a cumulative 2.0 grade point average in the semester prior to athletic participation. MHSAA's bylaws regarding academic eligibility do not follow state law because they do not base eligibility on state law's cumulative grade point average requirement.

State law indicates that student athletes' academic eligibility should be based on cumulative grade point averages. A cumulative grade point average (GPA) is the calculation of the average of all of a student's grades for all of his or her complete education career (for the high school student, this would start in the ninth grade). According to MISS. CODE ANN. Section 37-11-65 (1972):

*. . .a student who is enrolled in any grade higher than Grade 6 in a school district in this state must be suspended from participation in any extracurricular or athletic activity sponsored or sanctioned by the school district **after a semester in which the student's cumulative grade point average is below a 2.0 on a 4.0 scale.** The suspension from participation in extracurricular or athletic activities may not be removed until the student's **cumulative** grade point average in a succeeding semester is 2.0 or higher on a 4.0 scale. A student with a **cumulative** grade point average below a 2.0 on a 4.0 scale at the semester of an academic school year shall be suspended from participation in extracurricular or athletic activities in the succeeding academic school year until the student's **cumulative** grade point average is 2.0 or higher on a 4.0 scale. [Emphasis added]*

MHSAA's academic eligibility policy is not in compliance with state law. The association applies different academic eligibility requirements to students playing sports during the first semester of a school year and students playing sports during the second semester and neither is based on a cumulative average.

MHSAA Bylaw 2.10.2 states that:

*. . .a student must maintain a grade point average of at least a 2.0 or “C” average in order to participate in interscholastic sports/activities. Grade point averages will be calculated at the conclusion of the first semester using the semester averages of **all** courses the student is taking. Students who do not have a 2.0 or “C” average for the first semester will be ineligible for the second semester.*

MHSAA Bylaw 2.10.3 states:

*At the end of the school year, each student’s grade point average for the year will be assessed. This assessment will reflect the average for the entire year using the **final** grades for each course. A student who does not have a grade point average of at least a 2.0 or “C” average, will be ineligible for fall semester.*

Regardless of the association’s reasons for applying academic eligibility requirements differently for athletes participating in first or second semester (i. e., fall or spring) sports, the association should comply with state law regarding academic requirements.

Investigation and Resolution of Complaints and Penalties

Although the MHSAA Executive Director has authority to investigate complaints of noncompliance by member schools and their personnel, the association’s complaint and penalty files do not contain sufficient documentation that complaints are resolved fairly or consistently.

With regard to penalties and fines, Article 5 of MHSAA’s constitution makes the Executive Director responsible for:

- investigating cases where irregular conduct seems to have occurred;
- investigating any cases of irregular conduct reported to him by member schools or district committees;
- directing district committees to make investigations of irregular conduct in their districts and report irregularities to him; and,
- penalizing member schools and assessing fines for failure to comply with regulations.

Section 4 of MHSAA’s bylaws codifies the penalty code provisions of the association. The section includes a formal complaint process by which a principal who believes a school has violated a MHSAA rule may request that the possible infraction be investigated by the association’s staff. The section requires the member school’s principal to submit a signed written complaint to the MHSAA Executive Director stating the name of the school, the rule(s) that he/she believes

has been violated, the name(s) of the coach(es) and/or student(s) involved in the alleged violation, and as much relevant, detailed information of which he/she has knowledge. The section also states that the Executive Director has authority to investigate any unreported violation he/she deems necessary.

Section 4 provides the Executive Director with “unlimited authority” to investigate a complaint and impose a penalty. In addition to a penalty, Section 4 states that a school found to be in violation of MHSAA rules may be required to pay the expenses incurred by the association resulting from investigating the possible violation. The section further provides that a school penalized under MHSAA’s penalty code has the privilege of appealing such penalty to the association’s Executive Committee.

As shown in Exhibit 12, page 50, MHSAA levied financial penalties against member schools and/or their employees during the 2013-2014 school year amounting to \$13,950.

With regard to MHSAA’s penalty code, PEER found the following:

- *Incomplete documentation in penalty files*--Although MHSAA’s Handbook establishes a formal complaint process and includes certain forms to document noncompliance with the penalty code (such as a form to report the ejection of a coach), the penalty files reviewed by PEER did not include documentation of steps that MHSAA staff took from origin to resolution of the complaint and the documented reasons for penalty decisions that would allow a third party to draw the same conclusions. Rather than including a “complaint” or documentation of an investigation conducted by the association’s staff, the files included the “Notice of Penalty” sent by the Executive Director to the school that had violated the penalty code and documentation of the association’s efforts to collect the imposed penalty. The “Notice of Penalty” included a description of the noncompliant event, enumerated the conditions (such as a reprimand or possible further disciplinary action associated with the monetary penalty), and described the school’s appeal route.

In addition to formal complaints by principals, MHSAA also periodically receives informal complaints by telephone, mail, or e-mail from parents, grandparents, and other interested stakeholders. While MHSAA staff assured PEER that all formal and informal complaints are reviewed and responded to, the association’s files do not contain sufficient documentation to support such an assertion.

Exhibit 12: Types of Infractions and Fines Assessed, 2013-2014

Infraction	Number of Infractions	Total Fines Assessed
Ejection of Coach	19	\$5,700
Players Fighting	8	4,000
Participation of an Ineligible Player	5	1,050
Spectators Fighting	3	1,250
Coach Removed Team From a Contest	2	1,000
Violation of Sports Season Rule by Coach	1	500
Coach Made Degrading Comments About Officials	1	200
No Show for Band Competition	1	100
Player Participated in Unsanctioned Event	1	100
Coach Submitted Season Schedule Late	1	50
	42	\$13,950.00

Note: Noncompliant schools paid from their own resources the majority of these monetary penalties. The remainder of the fines were typically paid by booster clubs or personally by school personnel upon whom the penalty had been imposed.

SOURCE: PEER analysis of MHSAA complaint files.

- *No complaints log*--The MHSAA does not maintain a log to document complaints received from school personnel, athletic officials, students, or parents. Without such a log, it is difficult for association staff to monitor the status of complaints to ensure their timely resolution and the imposition of similar penalties for similar infractions among different schools.
- *Executive Director's discretionary authority to determine some penalty amounts*--MHSAA's Handbook provides the Executive Director with discretionary authority in determining penalties for noncompliant schools and their personnel, students, and spectators. Of the twenty-seven monetary penalties included in the association's penalty code, eleven penalties include "not to exceed" monetary amounts that can be imposed based on the Executive Director's judgment. Seven of the eleven penalties state that they "may" be imposed, making them completely discretionary on the part of the Executive Director.

Although PEER's review of penalty files found that the Executive Director's actions were consistent with the association's handbook and appeared to be uniformly applied among noncompliant schools, the MHSAA does not maintain proper documentation (see page 49) and a penalty matrix to establish the standards necessary to ensure that schools are treated fairly.

The combination of these factors could result in MHSAA treating member schools inconsistently in the assessment of penalties.

Is MHSAA transparent in all matters of governance and oversight?

Transparency is a focused effort to provide openness and accessibility of information to stakeholders. When an organization is transparent, interested parties can look at processes and determine how decisions were made.

This chapter will address whether MHSAA is transparent regarding its:

- governance and decisionmaking policies; and,
- expenditures and overall financial position.

MHSAA has made governance, management, and financial decisions that have not been transparent to its stakeholders. The lack of transparency could create distrust among members of the governing bodies and confusion of stakeholders.

Transparency of MHSAA's Governance and Decisionmaking

MHSAA's administration did not make its recent state football championship site selection decision transparently, which caused some member schools to question the decision and its potential financial impact on the schools.

Since 1992, the state high school football championship games have been held at Veterans Memorial Stadium in Jackson, a site centrally located within the state. As early as 2011, the association's strategic plan listed as a priority an "official study of all state championship venues/facilities/tournament formats." With regard to the state football championship games, the strategic plan noted that the association would "explore future sites/venues."

During a February 2014 Executive Committee meeting, MHSAA's Executive Director told members that the association wanted to provide all state championships with the best facilities. During the meeting, members unanimously voted to "host all championships at the best site." The minutes are silent as to what the members considered as "best" with regard to a site for a competition. (PEER notes that no mention was made in the minutes of making an economical decision regarding the venue.)

In an effort to locate sites for future state football championships, MHSAA managers, in March and April 2014, submitted requests for proposals (RFPs) to Jackson State University, Mississippi State University, the University of Mississippi, and the University of Southern Mississippi. In addition to requiring a facility with "at least 33,000 appropriate seating capacity," the RFPs included information regarding the

term of the agreement, facility use licensing, host/MHSAA responsibilities, event staffing, revenue sharing, and marketing.

MHSAA finalized a contract with Mississippi State University on June 27, 2014, to host the 2014 and 2016 state football championships, with the MHSAA incurring projected costs of \$54,851.75. MHSAA finalized a contract with the University of Mississippi on July 5, 2014, to host the 2015 and 2017 football championships, with the MHSAA incurring projected costs of \$55,000 for the event.

On July 21, 2014, MHSAA administration held a press conference announcing that the state football championship games would rotate each year between the University of Mississippi and Mississippi State University for the next four years. Upon hearing this decision, some member schools' personnel, particularly in south Mississippi, expressed concerns because no venue in south Mississippi had been selected. School personnel in the southern Mississippi school districts were upset that they would have to travel great distances, for several consecutive years, to play in these games. They believed that the cost of travel would be more than some schools could absorb.

The manner in which MHSAA made the decision regarding future state football championship games has evoked questions among stakeholders about the association's decisionmaking process and transparency regarding major decisions that affect a large number of member schools and their students and families.

By issuing a request for proposals to select sites for the 2014-2017 state football championships, MHSAA implied that there was to be open and transparent competition to select a provider. However, MHSAA did not follow best practices for procurement of services.

Since 1979, many states and local jurisdictions have followed, in full or in part, provisions of the American Bar Association's *Model Procurement Code for State and Local Governments* to govern procurement decisions. First adopted in 1979, the primary purpose of the *Code* was to help create transparent, competitive, and reliable processes by which public funds could be expended through contracts with private sector businesses.

With regard to competitive sealed proposals, the ABA *Model Procurement Code* recommends the following components in the procurement process and that they be followed in this general order:

- developing a request for proposals;
- providing public notice;
- receiving proposals;
- developing evaluation factors;

- holding discussions with responsible offerors and allowing revisions to proposals;
- selecting a vendor for award; and,
- holding debriefings.

(See Exhibit 13, page 55, for definitions of these components.) Although the *Code* is primarily designed for governmental entities that procure goods and services, the components listed in Exhibit 13 represent procurement best practices for any entity wishing to make procurement decisions in the most efficient, transparent, and economical manner.

While PEER understands that MHSAA is a not-for-profit corporation, the association's use of a request for proposals to select sites for state football championships implied that there was to be open and transparent competition to select a provider of services. Therefore, the association's process for selecting such sites should have been completed in accordance with the types of procurement best practices described in Exhibit 13.

PEER makes the following observations regarding the association's process for selecting state football championship sites.

- While the RFP that the MHSAA sent to the universities had sections describing the association's intentions and expectations with regard to services provided by an offeror, the RFP is deficient for the following reasons because it did not include:
 - a closing date for the offeror to submit responses to MHSAA;
 - criteria by which MHSAA would evaluate each offeror's proposal, as well as the relative importance of such criteria;
 - a description of the method MHSAA would use to "score" an offeror's proposal in order to determine the best one to accept; and,
 - uniform information for all potential offerors--e.g., while the RFPs provided to Mississippi State University and the University of Mississippi noted that MHSAA had already communicated with the mayors' offices and school superintendents in Starkville and Oxford regarding forming local organizing committees to assist with planning the championship games, the RFPs provided to Jackson State University and the University of Southern Mississippi did not include such information.

Exhibit 13: Components of a Competitive Sealed Proposals Procurement Process, Based on the ABA *Model Procurement Code*

Component	Description
<i>Request for Proposals</i>	Procuring entity solicits proposals through a Request for Proposals (RFP)
<i>Public Notice</i>	Procuring entity provides adequate public notice of the RFP in a newspaper published in the county or municipality in which the agency is located or in electronic format
<i>Receipt of Proposals</i>	Procuring entity opens proposals so as to avoid disclosure of contents to competing offerors during the process of negotiation. Procuring entity prepares a Register of Proposals and makes the register open for public inspection after contract award. The register indicates the names of all vendors submitting proposals.
<i>Evaluation Factors</i>	The procuring entity's RFP states the relative importance of price and other evaluation factors.
<i>Discussion with Responsible Offerors and Revisions to Proposals</i>	The procuring entity may conduct discussions with responsible offerors that submit proposals determined to be reasonably eligible of being selected for award for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. The procuring entity shall treat offerors in a fair and equal manner with respect to any opportunity for discussion and revision of proposals. Such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers. In conducting discussions, the procuring entity shall not disclose any information derived from proposals submitted by competing offerors.
<i>Award</i>	Procuring entity shall make the award to the responsible offeror whose proposal is determined in writing to be the most advantageous to the state, taking into consideration price and the evaluation factors set forth in the RFP. The procuring entity shall use no other factors or criteria when evaluating proposals. The procuring entity shall send a written notice of award to the successful bidder. In addition, the procuring entity shall make the notice of award available to the public.
<i>Debriefing</i>	The entity's procurement officer may provide debriefings that furnish the basis for the source selection decision and contract award.

SOURCE: PEER analysis of the American Bar Association's *Model Procurement Code for State and Local Governments*.

- There is no evidence that MHSAA provided public notice regarding the RFP. Instead, MHSAA managers submitted the RFP to only four state universities. While the RFP does not state the basis for requiring a facility with a 33,000 seating capacity, MHSAA limited the possible offerors to only those that it apparently preferred.
- While MHSAA characterized its document as a “request for proposals,” the document was actually an invitation to the universities to host football championships on certain dates--i. e., basically, requests for rental agreements. The RFP designated the following events and dates for the universities:
 - Jackson State University--state football championship in 2014;
 - Mississippi State University--state football championship in 2014 and 2016;
 - University of Mississippi--state football championship in 2015 and 2017; and,
 - University of Southern Mississippi--state football championship in 2018 and the Mississippi/Alabama all-star high school football game in 2015, 2017, 2019, and 2021. (The all-star game rotates each year between Alabama and Mississippi.)

According to MHSAA administrators, Jackson State University did not respond to the RFP and the University of Southern Mississippi submitted its response “too late,” although there was no deadline for responding. According to MHSAA’s Executive Director, the University of Southern Mississippi will host the state football championships in 2018 and 2019, along with the Mississippi/Alabama all-star football games in 2015 and 2017.

Transparency Regarding MHSAA’s Expenditures and Financial Position

MHSAA does not make its financial documents readily available on its public website to outside individuals who have a vested interest in the MHSAA’s decisions (i. e., parents and the community).

MHSAA’s status as a 501 (c) (3) not-for-profit organization places a certain level of responsibility on the association to ensure the public that the funds circulating through the association are being used to further the association’s overall purpose and mission. MHSAA administration has been entrusted with the responsibility of using its resources in the best interest of member schools and their students. In the interest of transparency, MHSAA should provide information to the public regarding the way it utilizes its resources.

MHSAA's bylaw 5.1.4 states that one of the duties of the Executive Director is to "render semi-annually a financial statement of receipts and expenditures to the Legislative Council and State High School Activities Association Executive Committee; send an annual report to all member schools." PEER found that MHSAA's 2010-2013 annual reports, usually sent electronically to all member schools, did not include any financial data or any data that might specifically indicate MHSAA's financial position.

MHSAA did attach July 2013-June 2014 financial statements to the back of its October 2014 meeting minutes that, once approved by the Executive Committee, are uploaded to the password-protected area of MHSAA's member school website. (PEER notes that financial statements from July 2012-June 2014 were not attached to the October 2013 meeting minutes that are available on this portion of the site.) MHSAA's "Year In Review," which is now attached to its sports and activities calendar, provides "layman's term" information that cites the achievements that MHSAA and member school athletes have made over the previous year. Stakeholders might find it beneficial if this literature also included, in the same language, information and data that explains MHSAA's financial position.

Member schools pay fees to MHSAA and they should be able to understand the justification for changes in fees and gate receipt percentages. If MHSAA believes that it should increase certain fees, the schools should have the information needed to understand this and be able to view readily the data that led to the decision. Many responders to PEER's survey noted that they would like to see information regarding MHSAA staff salaries, data showing the need for certain gate percentages and fees, and an identification of the programs or events that remitted fees support.

Making financial information available to the public can increase organizational accountability and dispel false perceptions. Making full and accurate information available about MHSAA's mission, activities, finances, financial statements, gate receipts, governance, and annual reports would greatly increase the association's transparency to its stakeholders.

Has MHSAA been fully accountable for the efficient use of its resources?

Not-for-profit corporations such as the MHSAA are answerable to multiple stakeholders, including program recipients, donors, volunteers, and the public at large. Not-for-profit accountability involves financial and regulatory compliance, prudent stewardship, and earning the trust of members and donors.

With regard to stewardship of its resources, stakeholders could question MHSAA's stewardship of resources regarding its:

- funding strategy (i. e., the degree to which it continues to rely heavily on member schools for its operating revenues);
- increases in some fees charged to member schools in view of the association's increasing financial reserves; and,
- recent overpayment of retirement packages.

Although MHSAA's annual audits have not documented instances of misappropriation of funds, the accountability of the association's financial management practices could be questioned due to its heavy reliance on operating revenue provided by member schools, the imposition of additional fees while maintaining substantial cash reserves, and the recent overpayment of three retirees.

MHSAA's Funding Strategy

Most of MHSAA's revenues are provided by member schools' membership dues or by admission fees charged to persons attending MHSAA events (e. g., gate receipts, season passes). However, although the association appears to be financially stable, in some cases MHSAA has not demonstrated that it has been responsive to the needs of member schools or to changing conditions regarding its revenue collection practices.

Sources of MHSAA's Revenues

MHSAA is funded by a combination of various types of revenues, most of which are provided by member schools or by admission fees charged to persons attending MHSAA events (e. g., gate receipts) or fees charged to individual students or teams participating in activity or sports events that do not typically generate gate receipts.

Article 9 of MHSAA's constitution details how the operations of the association will be financed. As illustrated in Exhibit 6, page 14, the Mississippi High School Activities Association has received approximately \$3 million in revenue per year for fiscal

years 2010 through 2014. For that period, the association's primary sources of revenues were as follows:

- *Membership dues:* Each year, schools must apply for membership in the association and pay various dues, as illustrated in Exhibit 14, page 60.
 - The enrollment fee is a “per student” charge for all students enrolled in a school regardless of whether a student chooses to participate in any activity regulated by the association.
 - The band fee allows a school's band to participate in band competitions and festivals sponsored by the association.
 - With regard to officials registered by the association, schools are required to pay dues to “contribute to the support of the officials training and supervision program.”
 - Schools pay a technology/software/publication fee to fund the costs of the association's eligibility software (see page 69) and mailings from the association to schools.
 - The catastrophic insurance fee paid by schools provides secondary coverage to member schools for students who are injured in school-sponsored events.
- *Sale of statewide passes:* The association's policies provide that eligible recipients--i. e., superintendents, assistant superintendents, principals, assistant principals, athletic directors, band/choral directors, cheer/dance sponsors, coaches, assistant coaches, approved para-professional coaches, board members, and their spouses--may purchase a statewide pass for \$30. A statewide pass covers admission to all regular season games or events sponsored by member schools and post-season games.
- *Gate receipts:* The association receives a portion of gate receipts generated by pre- and post-season games and events (see page 61).
- *Participation fees:* For those sports or activities that typically do not generate gate receipts, the association charges fees in one of two ways:
 - on a per-participant basis (e. g., \$5 to \$10 per person for band competitions or speech and debate competitions); or,

Exhibit 14: MHSAA High School and Middle/Junior High School Dues, 2014-2015 School Year

<i>High School</i>		
Type of Dues	Basis for Determining Dues	Amount
Enrollment	Based on student enrollment	\$.25 per student
Band	Based on school classification	6A - 5A, \$55
		4A - 3A, \$50
		2A - 1A, \$45
Athletic Officials	Based on school classification	6A - 5A, \$75
		4A - 3A, \$70
		2A - 1A, \$55
Technology/Software/Publication Fee	Offset cost of sports information manual and handbook	\$125
Catastrophic Insurance	Based on school classification	6A - 5A, \$872
		4A, \$613
		3A, \$561
		2A, \$362
1A, \$346		
<i>Middle/Junior High School</i>		
Type of Dues	Basis for Determining Dues	Amount
Enrollment	Based on student enrollment	200 or fewer students, \$40
		201 to 500 students, \$52.50
		501 or more students, \$65
Technology/Software/Publication Fee	Offset cost of sports information manual, software, and handbook	\$75
Catastrophic Insurance	Based on school classification	One grade (9 th), \$200
		Two grades (7 th and 8 th), \$270
		Three grades (7 th through 9 th), \$335

SOURCE: PEER analysis of MHSAA fee information.

- on a maximum amount per-team basis (e. g., \$, \$50 per team for bowling tournaments).
- *Officials' registration fees:* Any person eighteen years or age or over who is a high school graduate of good character and who is interested in athletics may apply for registration as an MHSAA official. Such individuals must annually pay \$40 per sport to become a registered official.
- *Gifts and donations:* Each year, MHSAA receives cash contributions from various corporate sponsors for MHSAA events and competitions.

For FY 2014, these primary sources of revenue accounted for 82% of the association's total revenues of \$3.6 million.

In addition to fees paid to MHSAA, member schools must also pay dues to support the activity district to which they are assigned. Annual district fees are \$50 for a high school and \$25 for a junior high school.

Revenues from Pre- and Post-Season Gate Receipts

Despite MHSAA's limited involvement or expense associated with most post-season events, the association receives a portion of gate receipts from nearly every such event. Member schools are concerned that the host schools for such events are not allowed to deduct expenses such as security costs from gate receipts when determining the net amount to be divided between the school and MHSAA.

Mississippi schools typically charge spectators an entrance fee to attend athletic contests such as football, basketball, and baseball games. Member schools use the revenues generated from these admission charges or "gate receipts" to support, in part, their local athletic programs. For regular season contests, the hosting school receives the entirety of gate receipts.

As noted previously, the MHSAA regulates sports in which student athletes and teams from the state's schools can advance to district, regional, and/or state competition through post-season play. With the exception of state competitions, which are typically held at neutral venues and facilitated by MHSAA staff, post-season competitions are held at a host school, with the school being responsible for charging an admission price established by MHSAA and bearing the expenses of hosting the athletic event. In addition to post-season play, MHSAA allows schools to host local pre-season competitions, such as scrimmages and classic games, and to charge entrance fees for such events.

Upon the conclusion of a pre- or post-season competition for a particular sport, the host school provides a financial accounting of the event to the MHSAA. The host school

determines the revenues generated from pre-game and gate sale of tickets, deducts expenses associated with paying individuals to officiate the competition, and arrives at a net receipts amount generated by the event. The net receipts are then divided between the host school (and other participating schools, in some instances) and MHSAA.

Article 9 of MHSAA's constitution states that a portion of the funds needed for the association's operations will be derived from "scrimmages, classic games, invitationals, playoff games, and state championship events." Exhibit 15, page 63, illustrates the division of gate receipts for pre- and post-season contests between schools and MHSAA for the sports and activities regulated by MHSAA. MHSAA is heavily dependent on these gate receipt revenues to fund its operations each year.

As shown in Exhibit 6, page 14, MHSAA received approximately fifty percent of its annual revenues from gate receipts for the period reviewed by PEER.

PEER makes the following observations regarding the allocation of gate receipts between schools and the MHSAA:

- Even though MHSAA's staff makes annual recommendations for changes and the Executive Committee approves the division of gate receipts percentages each year when it approves the association's *Sports Information Manual*, according to the association's Executive Director, those percentages are not based on a needs assessment to determine the optimum mix of revenue sources based on current financial conditions. MHSAA receives a portion of gate receipts from virtually every post-season event despite the association's limited involvement or expenses associated with the events.
- Member schools have concerns regarding the division of gate receipts between the schools and MHSAA. When hosting a post-season event for the MHSAA, host schools incur expenses beyond their typical regular season costs, such as paying for additional utilities usage and paying school personnel for event-related duties. The host school is not allowed to deduct these expenses from an event's gate receipts when determining the net receipts generated by an event to be divided between the school and MHSAA.

Exhibit 15: Division of MHSAA Gate Receipts for Pre- and Post-Season Play

Sport	Event	MHSAA	Host School	Championship School(s)	Participating Schools
Archery	Scrimmages	15%	85%		
Baseball	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	Play in Round	30%	70%*		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
Basketball	Scrimmages and Classics	15%	85%		
	Tournament	10%	90%		
	Division	30%#	30%		40%
	1 st Post	30%	70%*		
	North/South	30%	25%		45%
	State Championship	50%		50%	
Cross Country	State Championship	75%	25%		
Football	Scrimmages and Classics	15%	85%		
	1 st Round (1A, 5A, 6A)	30%#	70%*		
	1 st Round (2A, 3A, 4A)	30%	70%*		
	2 nd Round (1A, 5A, 6A)	30%	70%*		
	2 nd Round (2A, 3A, 4A)	30%#	70%*		
	3 rd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
	Spring Football	15%	85%		
	Regional	30%	70%		
North/South	30%	70%			
	State Championship	100%			
Soccer	Scrimmages and Classics	15%	85%		
	Charity	15%	85%		
	Tournaments	10%	90%		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
Softball, Fast Pitch	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	Play in Round	30%	70%*		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
	Regional	30%	70%		
	North/South	30%	70%		
	State Championship	100%			
Soccer	Scrimmages and Classics	15%	85%		
	Charity	15%	85%		
	Tournaments	10%	90%		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
Softball, Fast Pitch	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	Play in Round	30%	70%*		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
	Regional	30%	70%		
	North/South	30%	70%		
	State Championship	100%			
Soccer	Scrimmages and Classics	15%	85%		
	Charity	15%	85%		
	Tournaments	10%	90%		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
Softball, Fast Pitch	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	Play in Round	30%	70%*		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South	30%	70%*		
	State Championship	50%		50%	
	Regional	30%	70%		
	North/South	30%	70%		
	State Championship	100%			

Exhibit 15: Division of MHSAA Gate Receipts for Pre- and Post-Season Play

Sport	Event	MHSAA	Host School	Championship School(s)	Participating Schools
Softball, Slow Pitch	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South State Championship	50%	70%*	50%	
Swimming	Classic	15%	85%		
	Tournaments	10%	90%		
	North/South	50%	50%		
	State Championship	30%	70%		
Track	Tournaments	10%	90%		
	Regional	30%	70%		
	North/South	30%	70%		
	State Championship	65%	35%		
Volleyball	Scrimmages and Classics	15%	85%		
	Tournaments	10%	90%		
	Play in Round	30%	70%*		
	1 st Round	30%	70%*		
	2 nd Round	30%	70%*		
	North/South State Championship	50%	70%*	50%	
Wrestling	Scrimmages	15%	85%		
Cheerleading	State Championship	100%			
Dance	State Championship	100%			
Band	Regional Marching	\$7,500		(Five regional sites pay \$1,500 each)	
	State Marching	\$2,000			

#MHSAA and district secretaries split the 30%, with each receiving 1/2 of the revenues generated from the 30% split.

*Host school and visiting schools split the 70%, with the host school receiving 65% and the visiting school receiving 35%.

NOTE: For regular season contests, the hosting school receives the entirety of gate receipts.

SOURCE: PEER analysis of MHSAA gate receipt information.

According to MHSAA's February 2014 minutes, the Executive Director "advised the board that the MHSAA looks at ways to help our schools and one way to help could possibly be deducting the officials and security fees from the gross receipts on financial forms before sending the MHSAA percentage." The Executive Committee members took no action on the information presented by the Executive Director. MHSAA's April 2014 minutes further state that the Executive Director "shared with the Executive Committee that no decision has been made concerning security costs being deducted from local school games and tournament report forms submitted to the MHSAA. This will be discussed further in a future meeting. No action was taken on security costs being deducted from financial report forms from schools."

Revenues from Pre-Season Contests Earmarked for the MHSAA Building Fund

In FY 1990, MHSAA established an arrangement whereby member schools would play one additional game in each sport (i.e., a pre-season "classic" game) and remit those gate receipts to the association for use in constructing an office building. The debt for both the original building and its 1999 expansion has been retired, but MHSAA continues to collect revenues from each member school's pre-season classic games (\$98,452 in FY 2014).

Prior to moving to its current location in Clinton, Mississippi, the MHSAA office was located on Millsaps Avenue in Jackson. Seeing a need for additional office space, the Executive Committee established a building fund in FY 1990 in order to raise funds to purchase land and construct a new building. The Executive Committee chose to fund the building project from the following sources:

- gate receipts generated by member schools playing one extra game in each sport (i. e., pre-season "classic" games). Approximately \$25,000 was raised from such games during FY 1990, the first year of the arrangement;
- reserve funds of approximately \$79,000;
- operating funds in an amount not to exceed \$100,000;
- sale of the association's previous office building; and,
- long-term debt to be retired from proceeds generated by special fundraising games.

The architects estimated that the building project, excluding furnishings, would cost \$383,800. The project was completed in 1991 and the association retired the long-term debt associated with the construction of the building during FY 1992.

During FY 1999, the association expanded its office building by constructing a conference center to be used for large meetings and training. The association financed the construction with funds from its operating budget and cash reserves. Thus the construction costs from both the original building and the expansion have been paid.

Even though the association has no current debt associated with its office building, MHSAA has continued to receive a revenues from the original arrangement for financing the building's construction--i. e., a portion of gate receipts generated by schools playing classic games (i. e., one extra game prior to the beginning of a sport season). Instead of receiving 100% of gate receipts from classic games, MHSAA now receives 15% of such receipts, with the host school retaining 85% of the receipts. The association received the following amounts from classic games over the last several fiscal years:

- FY 2011: \$101,795;
- FY 2012: \$113,891;
- FY 2013: \$99,546; and,
- FY 2014: \$98,452.

Because the MHSAA building's debt has been retired, PEER knows of no reason why local schools should not be allowed to retain 100% of gate receipts generated from classic (and scrimmage) games held prior to a sport season.

Revenues from Fines and Penalties

Monetary penalties reduce member schools' financial resources for supporting extracurricular programs.

Pages 48 through 51 of this report contain a discussion of MHSAA's complaints process and penalty code. As shown in Exhibit 12, page 50, MHSAA assessed \$13,950 in financial penalties in the 2013-14 school year. Of the this amount, noncompliant schools paid from their own resources the majority--61%--of the monetary penalties. The remainder of the fines were typically paid by booster clubs or personally by school personnel upon whom the penalty had been imposed.

In addition to having a monetary penalty imposed, sport or activity teams of noncompliant member schools were typically placed on probation, as provided for in the association's bylaws. School personnel, such as coaches, and players were also typically suspended and required to complete the Star Sportsmanship program. (According to its website, the Star Sportsmanship program is a national online interactive tool for

sportsmanship and character education, including critical thinking skills development and steroid and drug education.)

As shown in Exhibit 6, page 14, fines received by MHSAA from member schools were relatively nominal for the period reviewed by PEER, ranging from \$13,325 in FY 2010 to \$28,085 in FY 2011. While the imposition of a monetary penalty can be a method used to influence behavior (e. g., to reduce fighting or poor sportsmanship), when member schools pay such fines, this reduces the financial resources available to a school to support its extracurricular programs.

Increases in Certain Fees Charged to Member Schools Despite Increasing Financial Reserves

Despite its substantial financial reserves (approximately \$3.4 million at the end of FY 2014), MHSAA increased fees charged to member schools for catastrophic insurance and technology services for the 2014-2015 school year.

According to MHSAA's FY 2014 fiscal year-end financial statement, the association had an ending fund balance of \$885,513 and an investment portfolio of \$2,553,585, representing approximately \$3.4 million in financial reserves at the association's disposal. At the end of FY 2013, the association had \$3.2 million in ending fund balance and investments.

Despite having such a substantial financial reserve, on April 10, 2014, the association's Executive Committee approved increases in the catastrophic insurance and technology fees to be charged to member schools through its adoption of the *Sports Information Manual* for the 2014-2015 school year.

MHSAA's Financial Reserves

MHSAA had a financial reserve of approximately \$3.4 million at the end of FY 2014, an amount that would cover at least a year of estimated expenditures.

As stated on page 1, the Mississippi High School Activities Association is designated as a 501 (c) (3) not-for-profit corporation and is thus subject to the provisions of the Internal Revenue Service (IRS) Code. Implied in such designation is that an organization such as MHSAA will not make a "profit." Despite the prohibition of making a "profit," a not-for-profit organization must be concerned with and plan for its financial stability, specifically its ability to withstand an unexpected shortfall in revenues or and unexpected demand on its resources. Implicit in such planning is the determination of a financial reserve that could be used to offset funding losses or unanticipated increases in expenditures.

In the absence of a specific financial reserve standard promulgated by the IRS, MHSAA, like other not-for-profit

organizations, must determine an appropriate and adequate financial reserve amount for its operations. MHSAA managers have chosen to maintain a one-year financial reserve and MHSAA's Executive Director contends that it is a "good business practice" to maintain one year's worth of reserves. The Nonprofit Operating Reserves Initiative Workgroup recommended in 2010 a minimum operating reserve ratio of twenty-five percent or three months of an annual expense budget.

As shown in Exhibit 6, page 14, MHSAA's financial reserves (i.e., long-term investments) have increased during the fiscal years reviewed by PEER--e.g., increasing from \$1.8 million in FY 2010 to \$2.5 million in FY 2014. With regard to the association's total financial reserves of \$3.4 million at the end of FY 2014, MHSAA had a fiscal year-end cash balance of \$885,512.90 and long-term investments in the amount of \$2,553,584.57.

While the IRS has no restriction regarding the accumulation of financial reserves, the government entity might question multi-year increases in reserves without a specific purpose or plan for the reserves, such as the construction of a building or the purchase of an expensive piece of equipment. Other than preparing for a "rainy day," the MHSAA has no specific plan for its growing financial reserves.

Recent Increases in Fees Charged to Member Schools

MHSAA increased fees charged to member schools for catastrophic insurance and technology services for the 2014-2015 school year. Given MHSAA's growing financial reserves and the absence of a plan for their use, PEER questions the need for the increase in fees charged to member schools.

For the 2014-15 school year, MHSAA increased two of the fees charged to member schools: catastrophic insurance fees and technology fees.

- *Catastrophic insurance fee increase*--Prior to 2011, MHSAA had secured catastrophic insurance on behalf of member schools through an insurance agent in Ridgeland, Mississippi, with an annual premium cost of \$208,000. In the spring of 2011, through a bid process, MHSAA secured catastrophic insurance coverage for a three-year period through a national provider, with an annual premium cost of \$199,000.

In anticipation of the three-year contract ending on June 30, 2014, MHSAA, in the spring of 2014, began searching for catastrophic coverage to be effective on July 1. Because the association had previously entered into a multi-year contract with an annual premium of \$199,000, MHSAA managers speculated that a new catastrophic insurance policy would result in a higher annual premium, possibly as much as 8% more than the \$199,000 premium. To cover the anticipated higher insurance costs, the Executive Committee, through its adoption of the *Sports Information*

Manual, approved an increase in the amount paid by member schools for catastrophic insurance coverage--i. e., a \$20 per year increase for each high and junior/middle member school.

MHSAA began imposing the higher catastrophic insurance fee on the schools during the current (2014-2015) school year. As a result, high schools and junior/middle schools will pay an aggregate increase of \$11,200 (560 schools x \$20/year) for insurance coverage. At the conclusion of its negotiations with potential insurance providers, MHSAA procured catastrophic insurance coverage that became effective on July 1, 2014, with an annual premium of \$199,000, the same premium amount that the association previously paid. Therefore, it was not necessary for MHSAA to impose a premium increase on its member schools. (PEER also notes that MHSAA, based on its claims experience, received a rebate of approximately \$36,000 from its catastrophic insurance carrier in FY 2013. Similar future rebates could have offset potential increased premium costs for catastrophic insurance obtained by the association.)

MHSAA managers told PEER that because there was no actual increase in the association's catastrophic insurance premium, they would consider decreasing the premium amount charged to member schools in the future.

- *Technology fee increase*--With regard to the increase in technology fees, MHSAA procured new eligibility software that it implemented in member schools during the 2014-2015 school year. According to MHSAA managers, the new software would simplify the communication process of member schools submitting student eligibility information, documents, forms, and contracts to the association and is designed to improve grade integrity by restricting access to student athletes' grades to read-only access for most users. The software will reportedly provide to member schools more innovative systems to determine scheduling, team rosters, and competition brackets.

MHSAA incurred a cost of \$72,875 to procure the software. To offset a portion of the procurement costs, MHSAA's Executive Committee approved an increase in the technology fee imposed on member schools during the 2014-2015 school year--e. g., a \$100 increase for high schools and a \$50 increase for middle/junior high schools. MHSAA managers anticipate that the association will collect approximately \$41,000 during the current school year from member schools as a result of the increased technology fees.

As a result of the increases in the catastrophic insurance and technology fees for the 2014-15 school year, member high schools will each pay an additional \$120 in fees and junior

high/middle schools will each pay an additional \$70 in fees to the MHSAA for a total of \$52,200 in increased fees paid to the association. While the increases are nominal on a per-school basis, PEER questions the necessity of MHSAA imposing the fees, since it has substantial cash reserves. The increases are, in effect, unfunded mandates on member schools that are already trying to run athletics and activities programs with limited financial resources.

Recent Overpayment of Retirement Packages

By using incorrect calculation methods, MHSAA managers overcompensated three employees who retired a total of \$35,174 more than allowed by the association's own Personnel Handbook. Such expenditures could cause MHSAA's stakeholders to question its stewardship of resources.

The Executive Director of the Mississippi High School Activities Association is tasked with the responsibility of setting up and administering office policies and procedures and recommending policies to the Executive Committee for approval. In fulfilling this responsibility, the Executive Director has compiled a *Personnel Handbook*, with the most recent version of the handbook being approved by the Executive Committee on August 13, 2014. The *Personnel Handbook* contains the association's organization chart, listing of MHSAA activities, position descriptions and areas of responsibilities for the association's employees, and policies regarding leave and absences from work.

As illustrated in Exhibit 16, page 71, MHSAA's *Personnel Handbook* details the types of holidays and paid leave provided to employees by the association. In some cases, such as retirement, employees may be compensated for unused accumulated leave once an employee terminates his or her employment with the association. During Fiscal Year 2011, MHSAA paid three employees who retired from their positions with the association a total of \$187,851 for accrued unused sick, vacation, and retirement leave. By using incorrect calculation methods, PEER notes that MHSAA managers overcompensated three employees who retired amounts of \$17,882, \$6,673, and \$11,159 respectively--a total of \$35,174 more than allowed by the association's own *Personnel Handbook*.

MHSAA managers incorrectly computed the amount to pay the association's former Executive Director for unused accumulated leave upon his retirement, resulting in an overpayment of \$17,882.

On August 26, 2004, MHSAA entered into a "retirement agreement" with the association's former Executive Director. The agreement stated that the individual had been employed by the association for fourteen years at that time and planned

Exhibit 16: Type of Leave Provided to MHSAA Employees

Type of Leave	Amount Provided by the Association
Paid Holidays	<ul style="list-style-type: none"> • New Year’s Day • Martin Luther King Day • Good Friday • Memorial Day • Independence Day • Labor Day • Thanksgiving Day (and the following Friday) • Christmas Holidays (two weeks) • Spring Break (one week) • Birthday
Vacation Leave	<p>Vacation is earned after the first year of employment. Employees earn ten days of vacation leave each year. The Executive Director and associate directors earn fifteen days of vacation each year. Vacation days may not be carried forward to the next year without the approval of the Executive Director.</p>
Bereavement Leave	<p>Employees may be compensated for a maximum of four days due to the death of an immediate family member. Such leave is allowed at the discretion of the Executive Director.</p>
Personal Leave	<p>Employees earn two days of personal leave each fiscal year. Personal leave days may not be carried forward to the next year.</p>
Sick Leave	<p>Employees earn ten days of sick leave each fiscal year. Sick leave days may be accumulated up to sixty days. Upon retirement, a retiree will be compensated for accumulated sick leave days as follows:</p> <ul style="list-style-type: none"> • compensated for thirty days of unused accumulated sick leave after ten consecutive years of employment; and, • compensated for fifteen days of unused accumulated sick leave after five consecutive years of employment. <p>Employees could be compensated for unused accumulated sick leave days in excess of the maximum allowed by the policy based on the recommendation of the Executive Director and approval by the Executive Committee.</p>
Retirement	<p>Employees who retire from the association will be compensated as follows based on their years of work experience:</p> <ul style="list-style-type: none"> • compensated for fifteen days’ pay based upon their annual salary after five consecutive years of employment; • compensated for thirty days’ pay based upon their annual salary after ten consecutive years of employment; • compensated for forty-five days’ pay based upon their annual salary after fifteen consecutive years of employment; and, • compensated for sixty days’ pay based upon their annual salary after twenty consecutive years of employment. <p>Employees could be compensated in excess of the maximum allowed by the policy on a prorated basis as determined by the Executive Director.</p>
<p>SOURCE: MHSAA <i>Personnel Handbook</i>, 2014-2015.</p>	

to retire within the next five years. Among other provisions (such as naming MHSAA's office building after him, providing the individual with a cell phone, and providing the individual with supplemental health insurance), the retirement agreement stated that the individual would be paid:

- up to ninety days of accrued unused sick leave at the individual's daily rate of pay; and,
- up to forty-five days of accrued unused vacation leave at the individual's daily rate of pay.

In addition to being paid for accrued unused sick and vacation leave, the retirement agreement stated that the individual would be paid an honorarium of \$16,000 upon his retirement. The retirement agreement provided that payments described in the document would be made in two equal lump sum payments, with one being made in July of his retirement year and one being made the following January.

The association's former Executive Director retired from his employment effective June 30, 2011, with twenty years of service to the association. In addition to the \$16,000 honorarium, MHSAA compensated the individual for:

- ninety days of sick leave, per the retirement agreement;
- forty-five days of vacation days, per the retirement agreement; and,
- sixty days of retirement leave, per the association's *Personnel Handbook*.

As previously stated, the individual's retirement agreement with MHSAA stated that he would be compensated for his unused sick and vacation leave at his "daily rate of pay." In computing the individual's daily rate of pay, MHSAA managers determined his FY 2011 annual salary (\$151,966) and added an annual amount paid by MHSAA for his insurance (\$9,144) to arrive at a compensation total of \$161,110. The managers then divided the \$161,110 by the number of days worked by the individual--239 days--during FY 2011, arriving at a daily rate of pay of \$674.10. The managers computed the former Executive Director's retirement payout amount to be \$131,450.

The method used by MHSAA managers to calculate the former Executive Director's payout upon his retirement resulted in a \$17,882 overpayment because MHSAA managers incorrectly computed his daily rate of pay. Specifically, MHSAA managers combined a fringe benefit--insurance--with the individual's annual salary to arrive at a numerator in determining the rate of pay. Also, MHSAA managers included the number of days worked by the individual in FY 2011, rather than the total work

days in the fiscal year--261 days--to arrive at a denominator in determining the rate of pay. The effect of these actions was to artificially inflate the former Executive Director's daily rate of pay, resulting in an incorrect calculation for his retirement payout amount. (Although MHSAA staff contend that their work year is similar to that of school personnel, the only similarity is the number and type of paid holidays afforded to MHSAA staff. Association staff are full-time employees who work, either through reporting to the office daily or taking paid holidays, a standard work year--i. e., 261 work days. Therefore, a rate of pay calculation should be based on 261 work days.)

To illustrate the impact of the erroneous payment calculation method, PEER relied upon the method used by the state payroll system to calculate a state employee's payment for accrued personal leave upon his or her termination from state service. MISS. CODE ANN. Section 25-3-93 (4) (1972) provides that state employees may be paid for not more than thirty days of accumulated personal leave upon the employee's termination of employment. In calculating such payment, the state payroll system determines the employee's annual salary (without including any fringe benefits) and divides the salary by 2,087.45, the number of work hours in a typical year, to arrive at the employee's hourly rate. That rate is then multiplied by the number of accumulated personal leave days (expressed in work hours) that the employee is eligible to be paid, up to the maximum of thirty days.

Using the state payroll system's method of calculating a daily rate of pay, the former Executive Director's rate of pay would have been \$582.40 ($\$151,966 \text{ annual salary} / 2,087.45 \text{ work hours in a year} \times 8 \text{ hours in a work day}$). Given that calculation, the former Executive Director should have received a retirement payout of \$113,568.

PEER realizes that the association's employees are not state employees, but the state's method of calculating a daily rate of pay is identical to that of other states and consistent with government industry accounting practices.

MHSAA managers incorrectly computed the amount to pay a former Associate Director of the association for unused accumulated leave upon his retirement, resulting in an overpayment of \$6,673.

An Associate Director of the association retired from his employment on June 30, 2011. As with the former Executive Director, MHSAA managers incorrectly calculated the former Associate Director's daily rate of pay by adding an annual amount paid by MHSAA for his insurance (\$6,240) to his annual salary (\$83,865) to arrive at a compensation amount of \$90,105. The managers then divided the \$90,105 by the number of days worked by the individual--239 days--during FY 2011, arriving at a daily rate of pay of \$377.01.

In calculating his leave payment, MHSAA managers gave the former Associate Director credit for thirty days of unused accumulated sick leave and sixty days of retirement leave, as provided for in the association's *Personnel Handbook*. As stated in Exhibit 16, page 71, the *Personnel Handbook* gives the Executive Director authority to grant to a retiring employee retirement leave in excess of the sixty-day maximum. In the case of the Associate Director, the then-Executive Director granted him an additional thirty days of retirement leave, resulting in the retiring employee receiving a total of ninety retirement leave days. (The Executive Director reasoned that the Associate Director should be granted additional retirement leave days because of his thirty-five-year tenure with the association.) Using the daily rate of pay of \$377.01, MHSAA managers calculated the former Associate Director's retirement payout to be \$45,242 (120 days of leave x \$377.01 per day).

Using the method described on page 73, PEER calculated the former Associate Director's daily rate of pay to be \$321.41. Therefore, the former Associate Director's retirement payout should have been \$38,569 (120 days of leave x \$321.41 per day), resulting in his being overpaid by \$6,673.

MHSAA managers incorrectly compensated a former Director of the association for vacation and retirement leave days for which she was not eligible, resulting in an overpayment of \$11,159.

A Director of the association retired from her employment on December 31, 2010. MHSAA managers incorrectly calculated the former Director's daily rate of pay by adding an annual amount paid by MHSAA for her insurance (\$6,000) to her annual salary (\$68,557) to arrive at a compensation amount of \$74,557. The managers then divided the \$74,557 by the number of workdays in FY 2011--239 days--arriving at a daily rate of pay of \$311.95.

In calculating her leave payment, MHSAA managers gave the former Director credit for fifteen days of unused accumulated sick leave and fifteen days of retirement leave, as provided for in the association's *Personnel Handbook* for employees for five years of consecutive service. Using the daily rate of pay of \$311.95, MHSAA managers calculated the former Director's retirement payout to be \$9,359 (30 days of leave x \$311.95 per day). MHSAA managers added \$1,800 to the \$9,359, resulting in a total retirement payout of \$11,159. (The \$1,800 represented the value of five days of unused vacation leave that the former Director had to her credit on her actual retirement day of December 10, 2010.)

PEER notes that the former Director began her employment with the association on July 20, 2006, and retired from her position on December 15, 2010. According to the association's *Personnel Handbook*, she was not eligible to receive a payout for retirement days because she had been employed by the association for less than five years, the minimum tenure for

being compensated for retirement days. (The *Personnel Handbook* does not contain any discretionary language to allow the Executive Director to provide a payout to a retiring employee with less than five years of service.) In addition, the Association's *Personnel Handbook* does not provide for the payment of accrued unused vacation leave days upon an employee's termination of employment with the association. In the case of the Director, the then-Executive Director authorized the retiring Director to be paid for five days of vacation leave although the handbook does not speak to such authorization. Therefore, because MHSAA managers did not comply with the association's personnel provisions, MHSAA overpaid the former Director by \$11,159 upon her retirement.

MHSAA disregarded the requirements of its own Personnel Handbook and overpaid senior-level employees of the association upon their recent retirement. This overpayment demonstrates a lack of prudent stewardship of the association's resources when some of its member schools may be struggling to cover the costs of their extracurricular programs. Also, the overpayments may have violated Internal Revenue Service provisions.

With regard to private benefit and inurement, the Internal Revenue Service's (IRS) *Compliance Guide for 501(c)(3) Public Charities* states:

No part of an organization's new earnings may inure to the benefit of an insider. An insider is a person who has a personal or private interest in the activities of the organization such as an officer, director, or a key employee. This means that an organization is prohibited from allowing its income or assets to accrue to insiders. An example of prohibited inurement would include payment of unreasonable compensation to an insider. Any amount of inurement may be grounds for loss of tax-exempt status.

Section 2.2 of the association's constitution also states that "no part of the net earnings of the Association shall insure [sic] to the benefit of, or be distributed to its members, trustees, officers, or other private persons."

One could argue that the association managers' use of incorrect calculation methods to determine retirement payout amounts for three association employees resulted in "unreasonable compensation" for the employees, resulting in noncompliance with IRS regulations.

MHSAA disregarded the requirements of its own *Personnel Handbook* and overpaid senior-level employees of the association (who had already been well compensated) upon their recent retirement. This overpayment demonstrates a lack of prudent stewardship of the association's resources when

some of its member schools may be struggling to cover the costs of their extracurricular programs.

Recommendations

1. To help ensure open and fair election processes at the state and district levels, MHSAA should outline its election and voting procedures in its constitution and bylaws, including a method for voting for potentially controversial proposals (i. e., closed ballot).
2. To ensure consistency and improve accountability for decisions, MHSAA should revise its handbook by defining its constitution, bylaws, rules, regulations, and policies. To eliminate confusion regarding powers and duties, the association should also amend its constitution to establish a hierarchy for the previously named documents. MHSAA's handbook should clearly define which decisionmakers have authority to make changes to which documents and to make certain types of decisions. Also, MHSAA should differentiate in its constitution and bylaws between other similar, related terms, such as "state contests," "state tournaments," and "state games."
3. MHSAA staff, district committees, and school principals should encourage proposals for change from all stakeholders in education, including teachers without coaching or activity responsibilities, as well as parents. Education stakeholders should be aware that they can help influence MHSAA policy and that decisions made are educational in nature because they can affect students' time, teachers' instruction, schools' budgets, etc.
4. MHSAA should seek to add stakeholders with solely academic interests (e. g., teachers without coaching responsibilities) to its governance structure, even if that member is a non-voting advisory member. Some other states' high school activity associations include parents, students, or state education department representatives in the membership of their governance bodies.
5. Upon joining the Legislative Council or Executive Committee, new members should be reminded of the role of athletics within an academic context. New members should agree on the basic assumptions outlined on page 17 of this report and should agree to prevent any decisions that do not support those basic assumptions.
6. The Legislative Council and Executive Committee should require that proposals that come before those bodies be accompanied by a detailed written statement regarding the proposal's projected educational and financial impact on member schools and students. Specifically,

MHSAA should create standards for its proposals. For example, each proposal should be accompanied by relevant data or research to outline not only the academic and financial impact of that proposal, but also an explanation of how that proposal is in the best interest of the students and schools. Such information should be attached in the minutes of each body.

7. To improve accountability for its decisions, the MHSAA should clearly define in its handbook the conditions under which an expedited proposal may bypass activity districts and/or the Legislative Council and go immediately to the Executive Committee for consideration.
8. To ensure the collection and analysis of information regarding the impact of athletics and activities on student performance, the Legislature should amend MISS. CODE ANN. Section 37-17-6 (1972) to require the Commission on Accreditation to establish rules for public school districts to submit to the commission at the close of each semester the information necessary to determine the following:
 - How do athletics and activities impact student achievement in and out of season?
 - How does multi-sport or activity participation affect student achievement?
 - How much instructional time is lost for those students participating in athletics and activities?
 - What are the effects of athletics and activities on schools' budgets?
 - How do athletics and activities affect graduation rates, absenteeism, and participation in advanced courses?

Before adopting any rules authorized by this paragraph, the commission should confer with MHSAA regarding the substance of any potential data collection requirements for school districts.

The commission should share relevant information with MHSAA for research purposes. MHSAA should request assistance from researchers at the state's community colleges and universities or persons with backgrounds in statistical and social science research to analyze the commission's information. MHSAA staff should share such analysis with members of its Executive Committee and Legislative Council when such bodies are considering policy changes regarding matters such as season lengths, number of authorized games in a week, and other matters related to academic performance of student athletes and students participating in extracurricular activities.

9. To determine the impact and effect over time of student absences related to participation in MHSAA athletics/activities, MHSAA should create and utilize a method to gather periodically from schools the attendance data related to students' athletic/activity participation. MHSAA should use this information to aid in its decisionmaking.

The Kansas State High School Activities Association conducts a study every four years that measures the loss of instructional time of students participating in extracurricular activities.

10. In order to protect the best interests of member schools and students, MHSAA should be more proactive in its regulation of schools' athletics and activities. In particular, MHSAA should utilize a random sampling method for conducting the following activities:
 - performing random sports schedule checks prior to the athletic season to ensure that schools do not surpass the allowed number of games per season or per week; and,
 - performing random audits of eligibility documentation to ensure that schools are maintaining the appropriate records with which to make valid eligibility rulings.
11. The MHSAA should revise Bylaws 2.10.2 and 2.10.3 to reflect language in MISS. CODE ANN. Section 37-11-65 (1972) regarding academic eligibility of athletes (i. e., requirement to consider a cumulative grade point average) and then actively monitor compliance with these bylaws (and state law) in member schools.

In the event that MSHAA determines that it cannot implement a policy that comports with state law and such law results in compliance issues for the computation of mid-year grade point averages, the MSHAA should recommend to the Legislature appropriate amendments to MISS. CODE ANN. Section 37-11-65 (1972) that would offer a practicable academic standard for determining eligibility for participation in athletics and activities.

In the future, the MHSAA should, in consultation with the Mississippi Department of Education, determine whether the standard set forth in MISS. CODE ANN. Section 37-11-65 (1972) is an adequate standard for student performance or whether the association and the department should recommend to the Legislature a more stringent academic eligibility requirement for student athletes.

12. To improve its accountability to member schools, MHSAA should adopt a formal complaint resolution process (and outline that process in its handbook) that

includes when responses to complaints should be expected and in what form (e. g., telephone call, letter, or email). In addition, MHSAA should create a complaint form that would serve as the official record of the complaint's origin. This form, along with any investigative documents, should be maintained in one file, along with the Notice of Penalty and/or other documented resolution.

13. To be more transparent and provide useful management information, MHSAA should retain and log formal complaint information.
14. To improve transparency and accountability of its finances, MHSAA should make its financial documents (e.g., budgets, financial statements) available to stakeholders on its website.
15. Through its survey, PEER learned that many school personnel do not know about MHSAA and what it does. MHSAA should create literature (or post a brief video on its website) explaining what it is, what it does for member schools, how MHSAA rules and regulations could affect schools and students, and how member school personnel can get involved in MHSAA (e. g., by communicating with their principal regarding ideas that he/she could take to district meetings). MHSAA should encourage principals to encourage their staffs to visit MHSAA's website to learn about the association and how they can play a role in changing MHSAA policies.
16. In consultation with the association's certified public accounting firm, the Executive Committee should analyze its funding strategy to determine an optimum mix of revenue sources that could provide the association with stable financial resources while reducing its reliance on dues, fees, assessments, and gate receipts from member schools.
17. As recommended by the 2010 Nonprofit Operating Reserves Initiative Workgroup, the Executive Committee should develop a written operating reserve policy that includes the following components:
 - *Statement of purpose*: The reason for establishing the operating reserve.
 - *Policy*: Objectives to be achieved.
 - *Definitions*: Descriptions of the meaning of key terms used in the policy.
 - *Funding*: Beginning balance of operating reserve (if any), ultimate target amount for the fund and timeline for achieving it, including an annual increase in targets and strategies/sources for funding.

- *Procedures*: Details of how the policy is to be implemented, including the formula for calculating the operating reserve ratio, the amount of the operating reserve balance, whether the operating reserve should be formally board-designated, if it is to be a funded operating reserve, and its relationship to the approved investment policy.
- *Uses*: Circumstances under which the operating reserve can be used.
- *Governance*: Procedures for approving the use of operating reserves, persons authorized to establish policies and oversee reserve ratio and balance; provisions for recalculating the formula of the operating reserve balance and distributing the excess operating reserve balance, or funding operating reserve deficiencies.
- *Authorization of drawdown from the operating reserve*: Define terms and conditions for drawdown from the fund for operating purposes in the case of a financial emergency, including procedures for eventual replenishment.

Part of the association's plan for its reserves could include a goal of financially assisting schools by covering a portion of their expenses associated with participating in athletics and activities regulated by MHSAA.

18. In the future, when compensating employees who retire from the association, MHSAA managers should strictly adhere to the accumulated leave payment provisions included in the association's *Personnel Handbook* and correctly compute an employee's daily rate of pay by using the total workdays in a year when computing his or her retirement payout.

Appendix A: PEER's Online and Anonymous Survey of MHSAA Stakeholders

Purpose of the Survey

PEER concluded that, in addition to MHSAA staff interviews, it would be beneficial to hear from MHSAA's member high school superintendents, principals, athletic directors, coaches, teachers, and parents, as they (in addition to students) are the groups most often affected by decisions that MHSAA's leadership makes. PEER used the survey to determine:

- the opinions that various stakeholder groups hold regarding MHSAA;
- the stakeholders' perception of the effectiveness of services MHSAA provides to its member schools; and,
- the stakeholders' perception of the balance of academics versus athletics and activities within member schools.

PEER derived the survey questions from concerns or perceptions received from various stakeholder groups during initial fieldwork.

Survey Method

With help from the Mississippi Department of Education, PEER disseminated the survey via email to member high schools' principals and school district superintendents. School principals received a detailed request to respond to the survey individually and also to forward the link and corresponding survey instructions to high school athletic directors, coaches, and teachers on their staffs. PEER's email also requested principals to reply to PEER regarding the number of individuals on their staffs that would have received the survey (for determining response rate purposes).

PEER reached the parent population by working with Mississippi's chapter of Parents for Public Schools, a nationwide organization that works to improve public schools by educating, engaging, and mobilizing parents across the country.

When individuals completed the survey, that survey was routed to PEER for analysis of results.

Survey Analysis

The first question in PEER’s survey asked respondents to identify their role in the education system. Respondents were able to choose all positions that currently applied to them from the following options:

- Superintendent/Assistant Superintendent;
- Principal/Assistant Principal;
- Athletic Director;
- Activities Director;
- Coach;
- Teacher; and,
- Parent.

In order to analyze the survey, PEER created six survey “groups” depending on the position respondents selected in the first survey question. The following table lists those groups that were created and the entries respondents checked that put them in the corresponding group.

PEER Survey Groups

Group	Respondents in this Group Selected on Question 1
Group 1: Teacher	<ul style="list-style-type: none"> • Teacher • Teacher, Parent
Group 2: Teachers/Coaches	<ul style="list-style-type: none"> • Teacher, Coach • Teacher, Coach, Parent
Group 3: Administration	<ul style="list-style-type: none"> • Principal • Superintendent • Principal, Parent
Group 4: Athletic/Activity	<ul style="list-style-type: none"> • Coach • Activity • Athletic Director • Coach, Athletic Director • Coach, Parent • Coach, Activity • Coach, Activity, Parent • Coach, Athletic Director, Activity
Group 5: Academic/Athletic	<ul style="list-style-type: none"> • Teacher, Activity • Teacher, Coach, Athletic Director • Teacher, Coach, Activity • Principal, Athletic Director • Principal, Coach • Teacher, Activity, Parent • Teacher, Coach, Athletic Director, Parent • Teacher, Athletic Director, Activity • Teacher, Coach, Activity, Parent • Principal, Coach, Athletic Director • Teacher, Athletic Director • Principal, Activity • Principal, Athletic Director, Parent • Principal, Teacher, Coach, Athletic Director • Superintendent, Athletic Director

	<ul style="list-style-type: none"> • Superintendent, Athletic Director, Parent
Group 6: Parent	<ul style="list-style-type: none"> • Parent • Parent also employed at a school (any of the above combinations that also had “parent” included)

SOURCE: PEER analysis of survey results.

PEER also analyzed survey results based on respondents as a whole (not divided into any one group), by school class (1A-6A), and by the MHSAA activity district that the school is assigned to (I-VIII).

Survey Limitations

PEER cautions the reader that the data collected using the survey instrument relied on the voluntary self-reporting of survey participants. The use of voluntary, self-reported data may be advantageous, but the limitations of the survey must be taken into consideration regarding reliability.

The concern of self-reported data exists due to the reliability of the data collected. In conducting this survey, PEER put measures in place to encourage honest answers, such as ensuring respondents that their answers would remain confidential. Even though these measures were in place, it does not guarantee reliable and truthful responses to survey questions.

Additionally, this survey relied on MHSAA member high school principals to distribute this survey voluntarily to their staff. Relying on survey respondents in this way can affect response rate and quality.

Finally, PEER was not able to determine a number for the total population that was eligible to complete the survey. PEER wants the reader to keep in mind that all superintendents, principals, athletic directors, activities directors, coaches, teachers, and parents in MHSAA member high schools throughout the entire state of Mississippi were eligible to complete the survey but, as noted above, PEER cannot guarantee the number of surveys that were actually distributed. Relative to the number of individuals that were actually eligible to take the survey, the number that actually responded may not be sufficiently representative upon which to draw reliable conclusions.

Survey Response Frequency

PEER distributed the survey to 253 MHSAA member high school principals and 146 superintendents. Due to the reason described in the above Survey Limitations section, a response rate percentage for each position could not be calculated.

Although PEER’s survey instructions requested the school principal to respond to PEER’s email to communicate the number of staff members that received the survey link, PEER realized that some principals forwarded the survey to their staff without responding to the request for a total number who received the link. Based on emailed responses, 32% of MHSAA member high school principals forwarded PEER’s survey to their staff members. The following table shows the survey response frequency based on the groups PEER created for survey analysis.

PEER Survey Response Rate by Position

Group	Frequency
Group 1: Teacher	909
Group 2: Teachers/Coaches	367
Group 3: Administration	240
Group 4: Athletic/Activity	140
Group 5: Academic/Athletic	105
Group 6: Parent*	14
TOTAL	1,775

*When analyzing survey responses from the “parent” group (Group 6), PEER pulled the 81 respondents from the other groups that also indicated that they were a parent of a student participating in MHSAA-sponsored events, as well as their other role in the education system. Parent surveys were analyzed separately from the other groups so as not to skew the results. PEER evaluated 95 total parent responses.

SOURCE: PEER analysis

Survey Use

PEER used the survey to inform this study regarding areas of concern rather than to report the results of every formulated survey question. As stated in the Survey Limitations section, reporting the results, as a whole, may not be reliable enough to draw statewide conclusions. However, the survey proved to be a tool that shed light on the intensity of stakeholder issues.

Additionally, throughout the fieldwork experience, PEER relied on the survey to provide further direction to areas that were not as easily identifiable from PEER’s review of documents provided by MHSAA. PEER found that the survey also supported areas that potentially required additional emphasis, identified issues requiring clarification, as well as identifying areas that needed further review.

As noted previously, member high schools’ superintendents, principals, athletic directors, coaches, teachers, students, and parents are all affected by the decisions that MHSAA’s leadership makes. Thus, PEER used the survey to help determine whether certain groups of respondents provided

different perspectives from other groups when asked identical questions. An administrator may not be able to provide the viewpoint that a non-coaching teacher could provide. Moreover, a district superintendent may not directly experience, or understand the impact of, a decision in the way that a “front line” principal might. Therefore, PEER wants the reader to understand that even though this report does not include an analysis of the survey question-by-question, the survey provided a greater understanding of MHSAA’s role in athletics and academics in Mississippi.

Appendix B: MHSAA Governance Powers and Duties

MHSAA Body	Powers/Duties
Executive Committee	<ul style="list-style-type: none"> • Employs a full-time Executive Director (contract) • Approves or disapprove all changes in the constitution, bylaws, rules and regulations of the association • Interprets rules and regulations when called upon to do so by the Executive Director • Approves or disapprove policies recommended by the Executive Director • Serves as an Appeals Board • Transacts all executive and administrative duties nor delegated to the Executive Director • Has final authority over all actions of the Executive Director • Suspends district officers, after a hearing, for failure to perform duties • Authorizes checks to be signed in case of an emergency • Provides adequate bond for the Executive Director • Provides for an annual financial audit • Modifies the application of athletic game rules when the common welfare of the activities program may demand such modifications • Approves or disapprove a temporary waiver of an eligibility ruling by the Executive Director • Approves the annual MHSAA handbook revision(s) <p>President:</p> <ul style="list-style-type: none"> • Calls and presides over Executive Committee and Legislative Council meetings • Monitors the association’s finances and ensures that a semi-annual financial statement is made to the Legislative Council • Assists the Executive Director in conducting the association’s business when called upon to do so <p>Vice President:</p> <ul style="list-style-type: none"> • Presides over meetings in the absence of the president • Fills the unexpired term of the president should he/she cease to hold that position until a new election is held
Legislative Council	<ul style="list-style-type: none"> • Amends the constitution (subject to approval by the Executive Committee) • Amends the bylaws or makes new ones (subject to approval by the Executive Committee) • Makes appointments as specified in the constitution • Represents their respective districts in Legislative Council meetings and make reports to their constituency on action taken
Executive Director	<ul style="list-style-type: none"> • Keeps accurate minutes of the Executive Committee and Legislative Council meetings

	<ul style="list-style-type: none"> • Submits proposals to the Legislative Council and Executive Committee in advance of the joint meeting at which the proposal will be considered • Keeps accurate records of all state contests and eligibility statuses of all students • Furnishes necessary forms and information to member schools • Receives and disperses money in accordance with policy set up by the Executive Committee • Renders semi-annually a financial statement of receipts and expenditures to the Legislative Council and Executive Committee and sends an annual report to all member schools • Performs work as directed by the Executive Committee • Interprets the rules of the association • Rules on all questions of eligibility referred to him/her • Penalizes member schools and assesses fines for failure to comply with regulations • Investigates cases where irregular conduct seems to have occurred • Arranges and controls all state contests • Serves as the Executive Officer of the association in the execution of policies set up by the Executive Committee • Meets with the Advisory Committees, when possible • Investigates any cases of irregular conduct reported to him by member schools or district committees • Requests district committees to make investigations of irregular conduct in their districts and report irregularities to him • Approves a temporary waiver until the next Executive Committee meeting of eligibility rules with the exception of the age limit rule for a student who in his opinion is faced with unforeseen, unavoidable, or unusual circumstances • Recommends all other personnel and determines their salaries and duties
District Executive Committees	<ul style="list-style-type: none"> • Arrange dates and control all district contests, tournaments, and festivals within their respective districts in consultation with the Executive Director • Investigate, on their initiative or on request of the Executive Director, any cases of irregular conduct and make a report to the Executive Director • Assist the Executive Director, upon his request, in securing information related to eligibility cases • Aid the Executive Director in conducting hearings when schools or individuals are charged with a violation of the rules and regulations of the association • Certify the condition of athletic facilities within their activity district to ensure a safe environment for players and fans • Appoint an administrator to fulfill an unexpired term of an Executive Committee member

Although not a part of the formal governance structure, advisory committees (see page 12) recommend rules and regulations for the administration of contests, festivals, and other activities that come under their respective jurisdictions and make plans in cooperation with the Executive Director for holding contests, festivals, and other activities within the jurisdiction of their respective committees.

SOURCE: MHSAA handbook.

Appendix C: Member High Schools Within Each MHSAA Activity District

Activity District I	Activity District II	Activity District III	Activity District IV
Aberdeen HS	Ashland HS	Amanda Elzy HS	Caledonia HS
Alcorn Central HS	Blue Mountain HS	Broad Street HS	Choctaw Central HS
Amory HS	HW Byers AC	Clarksdale HS	Choctaw County HS
Baldwyn HS	Byhalia HS	Cleveland HS	Columbus HS
Belmont HS	Center Hill HS	Coahoma Agricultural HS	Durant HS
Biggersville HS	Charleston HS	Coahoma County HS	East Oktibbeha HS
Booneville HS	Coffeeville HS	Drew HS	East Webster HS
Bruce HS	Coldwater HS	East Side HS	Ethel HS
Calhoun City HS	DeSoto Central HS	Gentry HS	Eupora HS
Corinth HS	East Union AC	Greenville HS	French Camp Academy
Falkner HS	Grenada HS	Greenwood HS	JZ George HS
Hamilton HS	Hernando HS	Holmes County Central HS	Kosciusko HS
Hatley HS	Hickory Flat AC	Humphreys County HS	Leake Central HS
Houlka AC	Holly Springs HS	JF Kennedy HS	Leake County HS
Houston HS	Horn Lake HS	Leflore County HS	Louisville HS
Itawamba Agricultural HS	Independence HS	Leland HS	McAdams HS
Jumpertown HS	Ingomar AC	MS Palmer HS	MS School for Math and Science
Kossuth HS	Lafayette HS	North New Summit HS	Montgomery HS
Mantachie HS	Lake Cormorant HS	O'Bannon HS	Nanih Waiya HS
Mooreville HS	Lewisburg HS	Ray Brooks HS	Neshoba Central HS
Nettleton HS	Myrtle AC	Riverside HS	New Hope HS
New Albany HS	North Panola HS	Rosa Fort HS	Noxapater HS
New Site HS	Olive Branch HS	Ruleville Central HS	Noxubee County HS
North Pontotoc HS	Oxford HS	Shaw HS	Philadelphia HS
Okolona HS	Potts Camp HS	Simmons HS	Starkville HS
Pine Grove HS	Senatobia HS	Solomon Magnet HS	West Lowndes HS
Pontotoc HS	South Panola HS	South Delta HS	West Oktibbeha HS
Ripley HS	Southaven HS	St. Joseph HS	Winona HS
Saltillo HS	Strayhorn HS	West Bolivar HS	
Shannon HS	Water Valley HS	West Tallahatchie HS	
Smithville HS	West Union AC		
South Pontotoc HS			
Thrasher HS			
Tishomingo County HS			
Tremont HS			
Tupelo Christian Preparatory			
Tupelo HS			
Vardaman HS			
Walnut HS			
West Point HS			
Wheeler HS			

Activity District V	Activity District VI	Activity District VII	Activity District VIII
Bay Springs HS Clarkdale AC Collins HS Enterprise (V) HS Heidelberg HS Kemper County HS Laurel HS Meridian HS Mize AC Mount Olive AC NE Lauderdale HS Newton County HS Newton HS Northeast Jones HS Quitman HS Raleigh HS SE Lauderdale AC South Jones HS Stringer AC Taylorsville HS Union Public HS Wayne County HS West Jones HS West Lauderdale AC	Brandon HS Callaway HS Canton HS Clinton HS Florence HS Forest HS Forest Hill HS Germantown HS Jim Hill HS Lake HS Lanier HS Madison Central HS Magee HS McLaurin AC Mendenhall HS MS School for the Blind MS School for the Deaf Morton HS Murrah HS New Summit HS NW Rankin AC Pearl HS Pelahatchie AC Piney Woods School Pisgah HS Port Gibson HS Provine HS Puckett AC Raymond HS Richland HS Ridgeland HS Scott Central AC Sebastopol AC St. Aloysius HS St. Andrews Episcopal School St. Joseph Catholic School Terry HS Velma Jackson HS Vicksburg HS Warren Central HS Wingfield HS Yazoo City HS Yazoo County HS	Amite County HS Bogue Chitto Public School Brookhaven HS Cathedral HS Columbia HS Crystal Springs HS Dexter HS Enterprise (VII) AC Franklin County HS Hazlehurst HS Jefferson County HS Lawrence County HS Loyd Star AC McComb HS MS School for the Arts Natchez HS North Pike HS Salem AC South Pike HS Tylertown HS Wesson AC West Lincoln HS Wilkinson County HS	Bassfield HS Bay HS Biloxi HS D'Iberville HS East Central HS East Marion HS Forrest County Agricultural HS Gautier HS George County HS Greene County HS Gulfport HS Hancock HS Harrison Central HS Hattiesburg HS Long Beach HS Lumberton HS Moss Point HS North Forrest HS Oak Grove HS Ocean Springs HS Our Lady Academy Pascagoula HS Pass Christian HS Pearl River Central HS Perry Central HS Petal HS Picayune Memorial HS Poplarville HS Prentiss HS Purvis HS Resurrection Catholic HS Richton HS Sacred Heart HS Seminary AC St. Martin AC St. Patrick HS St. Stanislaus HS Stone HS Sumrall AC Vancleave HS West Harrison HS West Marion HS

NOTE: HS = High School and AC = Attendance Center.

SOURCE: MHSAA handbook.

Appendix D: MHSAA Staff Members* and Corresponding FY 2013 Salaries

Staff Member Title	FY 2013 Salary**
Executive Director	\$136,299.96
Associate Director-Athletics	\$93,660.00
Associate Director-Activities	\$93,660.00
Assistant Director of Athletics	\$72,700.00
Chief Financial Officer	\$77,599.92
Director of Development and Communications	\$57,259.92
Director of Technology	\$68,299.92
Assistant Director-Activities	\$73,143.00
Assistant to the Executive Director	\$49,311.00
Administrative Assistant	\$53,411.25
Administrative Assistant	\$32,125.75
Administrative Assistant	\$32,342.50
Receptionist	\$36,397.10

*As of November 5, 2014, the MHSAA had twelve filled positions. One of the administrative assistant positions was not filled.

**During the April 2014 Legislative Council and Executive Committee joint meeting, council and committee members approved the 2014-2015 school year budget that included a 2% cost of living increase in staff salaries.

SOURCE: MHSAA handbook

Agency Response

Mississippi High School Activities Association, Inc.

1201 Clinton/Raymond Road, P.O. Box 127

Clinton, Mississippi 39060

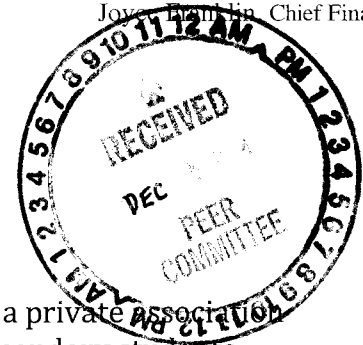
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Don Hinton, Executive Director
Lonnie Tillman, Associate Director
Diane Bruser, Assistant Director
Todd Kelly, Public Relations Director
Keith Warren, Technology Director

Scott Cantrell, President
Rickey Neaves, Associate Director
Robert Holloway, Assistant Director
Joyce Franklin, Chief Financial Officer



MHSAA's Response to PEER Report

The Mississippi High School Activities Association (MHSAA) is a private association whose mission is to enhance the educational experiences of secondary students (7th – 12th grades) in Mississippi public, parochial and private schools through participation in interscholastic activities. The state association of member schools, originally named the Mississippi Education Association, has been serving its members since 1922.

The MHSAA is a self-governed organization by its members. The oversight of the MHSAA is through its Legislative Council and Executive Committee. The Legislative Council consists of 41 member school representatives selected from 8 districts around the state. The Legislative Council meets three times during the school year (October, February, April). The Executive Committee consists of 15 school representatives, 13 of whom are selected by the members from the 8 districts, with 2 being appointed by the Executive Director. All members of the Executive Committee must be full time school administrators. The Executive Committee meets three scheduled times per year and routinely throughout the year for miscellaneous matters that arise. This organizational structure enables the member schools to govern the activities of the MHSAA.

The MHSAA's daily operations are managed by the Executive Director and his staff, with the Executive Director reporting to the Executive Committee. The Executive Committee has the ultimate authority over all of the Executive Director's decisions.

The MHSAA is a member of the National Federation of High Schools. The MHSAA is not solely an athletic association as are most of the other 49 state associations. The MHSAA is an activities association, consisting of athletics and the following activities: choir, speech and debate, concert band, marching band, cheer, and dance. The investigation and final PEER Report fails to mention these most important education-based activities and excludes the MHSAA's role in sanctioning, promoting, and coordinating the activities events

More than 50,000 students from member schools participated in one or more of these activities during the 2013-14 school year. Further, over 115,000 students from member schools participated in athletics representing public, parochial, and private schools during the same year. The MHSAA is strongly committed to assisting all students in their quest for excellence both academically and athletically.

In its report PEER ignored the emphasis placed by the MHSAA on academics. Without question, the Mississippi High School Activities Association has exhibited due diligence in promoting and keeping academic achievement for secondary school students as its number one priority. Enhancing a student's educational experience, while seeking to carry out its responsibility of regulating member schools' athletics and activities, is paramount to the effectiveness of the association. The MHSAA places great emphasis on students' academic accomplishments in the following ways: recognizing top scholars at district and state events; monitoring academic standards for participation; encouraging and rewarding scholar-athlete teams at all member schools; and conducting the Lindy Callahan Scholar-Athlete Program, which over the past 19 years has awarded \$300,000 for individual academic scholarships for 307 Mississippi students.

Issues that are referenced in the PEER Report regarding change in post-season venue locations and purchasing up-to-date technology software are tied to progressive changes that have taken place within the organization. Four new directors have provided a positive and innovative approach in providing the very best for the students and schools in the state. Lack of adequate facilities in the state for properly hosting sports championships and activities programs created the need to move state events to other locations, venues that provide state of the art facilities in the capitol city, and around the entire state. While changes of this nature will not be met with the approval of everyone, the decisions were made in the best interest of the students participating in the events.

After six months of intense scrutiny and a thorough review of the entire MHSAA operation by PEER representatives, there was **no evidence** found of any wrongdoing whatsoever. There were differences of opinion regarding best practices involving operational strategies and techniques. However, there were no provisions of the MHSAA's constitution, bylaws, handbook, or procedures that were ever violated.

The MHSAA cooperated fully with the PEER investigation, spending many hours of employee time responding to the requests for documents and information. In spite of the fact that MHSAA does not fall under PEER's jurisdiction, the MHSAA was completely open in the investigation simply because it has nothing to hide. The MHSAA is not a state agency as it receives no funding from the State of Mississippi or any governmental agency. Its employees are not allowed to participate in the state retirement program or the state health insurance program. The State Auditor does not audit the MHSAA's financial records. Thus, PEER has no authority to investigate the MHSAA as an alleged agency.

PEER attempts to bring the MHSAA under its authority by claiming the MHSAA is an independent contractor for its members, most of whom are public schools (some are parochial schools and some are private schools). By receiving annual membership dues (25 cents per student), PEER claims that payment of such sum in

return for the benefits of membership creates a contractual relationship between MHSAA and its member schools. However, MHSAA is not an independent contractor as it is a private, voluntary membership organization that facilitates the playing of athletics and extracurricular activities for its members. Any member can drop its membership at any time. If PEER's logic is correct, then that would include many and any private association that receives membership dues from a public entity would fall under PEER's jurisdiction. That would include associations such as the Mississippi Association of Supervisors, the Mississippi Municipal League, the Mississippi Association of School Administrators, the Mississippi School Boards Association and any private association that receives monies from a public entity. Further, any independent contractor who performs work for a public entity would be subject to PEER review. The statute never contemplated bringing such entities under the authority of PEER.

Even if the MHSAA were an independent contractor subject to limited PEER review, the statute specifically limits issuance of performance evaluation and expenditure review reports to agencies and does not include independent contractors. MISS. CODE ANN. § 5-3-61. Since MHSAA is not a state agency as defined by the statutes, PEER has no authority to issue a report on the MHSAA.

While the MHSAA is not subject to PEER oversight, the MHSAA always welcomes constructive criticism of its operations as it strives to do what is best for the boys and girls in this state. The recommendations and suggested strategies presented by the PEER Report will be brought to the attention of the Legislative Council and Executive Committee to determine whether they will be beneficial for a more efficient operation of the MHSAA. While this has been a time-consuming process, the MHSAA is confident that it has demonstrated what it does to enhance the educational experience of so many students in this state who participate in athletics and extra-curricular activities.

Sincerely,



Don Hinton
Executive Director

PEER Committee Staff

Max Arinder, Executive Director
James Barber, Deputy Director
Ted Booth, General Counsel

Administration

Tracy Bobo
Larry Landrum
Rosana Slawson
Gale Taylor

Reapportionment

Ben Collins

Evaluation

Kim Cummins
Matthew Dry
Lonnie Edgar
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Matthew Holmes
Barton Norfleet
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Linda Triplett