

**Statement of New Jersey State Interscholastic Athletic Association
President James H. Loper and Executive Director Steven J. Timko**

**State Commission of Investigation Report
September 30, 2010**

As we anticipated, after a seven month investigation – which included a review of more than 10,000 pages of documents covering every facet of this Association’s operations over the past 42 years – the SCI report provides no evidence of criminal wrongdoing or malfeasance by the NJSIAA, its officers and or its staff.

Despite the ominous tone of the authorizing resolution and the unsubstantiated use of terms like “potential for abuse” and “risk” in the report, there is no evidence that the NJSIAA has failed in its core mission: To provide education-based interscholastic athletics, which support academic achievement, good citizenship and fair and equitable opportunities for students.

No evidence is presented to suggest that the salaries of our staff are out of line, that there is fraud in our association or that our programs are ineffective.

We also have significant concerns about how the information is presented, and the fact that that many findings seem to be taken out of context.

For example, in a number of sections, the report details expenditures undertaken by our agency but fails to note that those expenditures were for revenue-generating events, where the costs were offset by the admission charges paid by the event attendees.

In several sections, the report refers to the “public money” that makes up part of the association budget, but makes no distinction between taxpayer dollars and money paid by “the

public” to attend tournament events.

While the report criticizes the association for not putting all of our contracts out to public bid (something not even required of private, non-public organizations such as ours), nowhere does it suggest that any of the contracts were a problem or that NJSIAA got a bad deal.

While the impetus for the resolution authorizing the SCI investigation appears to have been our dispute with Assemblyman Burzichelli over the interpretation of the ticket pricing law, the report includes almost no reference to the ticket issues.

At the same time, although the NJSIAA is a private, voluntary association run by our member schools and not a public agency, we fully accept our responsibility to operate in a publicly transparent manner. As an organization, we are charged with complex responsibilities; but we acknowledge that the Association can always improve and we will therefore respond positively and promptly to those recommendations made by the SCI dealing with our internal procedures.

We agree that issues such as the need for a professional accountant, better systems for staff reimbursements for expenses and mileage, purchase orders, petty cash, the compensation for workers at tournaments and ticket sales must be reviewed, and our procedures should be modified to take advantage of current technology and provide the kind of transparency our members expect.

We agree that our Board should take a more active role in overseeing the day-to-day operations of the association. And although copies of our association’s annual audit are distributed to all member school districts each year, we are open to making our records available to another independent person for review.

However, the report presents no information whatsoever that would justify the draconian step of a merger of the NJSIAA with the New Jersey School Boards Association or DOE. Both of those organizations have myriad responsibilities of their own, and the addition of the NJSIAA functions could impede their ability to maintain their own core missions. In addition, either merger could raise constitutional questions, since the NJSIAA membership includes non-public schools.

Finally, we also wish to reaffirm our pride in and our support for our Association, which sponsors the broadest range of athletic sports for high school athletes in the entire country.

We understand that the purpose of an SCI report is not to say positive things about the entities they have reviewed, but we believe it is extremely important that a balanced picture of our organization, its mission and its accomplishments be presented.

Here are some of the services that the NJSIAA provides to our member schools and our student athletes:

- Management, rule making and conduct of 32 separate sports (16 for males and 16 for females), involving 253,000 student-athletes, 21 athletic conferences, and more than 500,000 individual games, meets and matches on an annual basis.
- Hosting over 3,000 tournament games annually.

Two hundred forty rules' clinics for officials/referees and 32 coaches' clinics in connection with local officials' chapters annually.
- CPR training and sports medicine clinics for officials, coaches and trainers.
- In conjunction with local officials' associations, the oversight and management of over 10,000 game officials.
- In conjunction with coaches' associations, the oversight and management of approximately 25,000 coaches.
- A comprehensive hydration program for wrestlers to assure their health and safety. This year, 9,375 scholastic wrestlers from 315 schools were involved in

this program.

The development of one of the strongest concussion guidelines of any state in the country.

- The first high school steroid testing program in the United States.
- The award of \$113,000 in corporate funded scholarships to student-athletes this year.
- In conjunction with St. Peter's University Medical Center, a new breast health education program for female athletes; the first of its kind in the country.
- The conduct of state tournaments at some of the region's premiere sports venues, including the Meadowlands Stadium, the IZOD Center, the Prudential Center, Rutgers University and Atlantic City Boardwalk Hall.
- Making certain that every non-public and urban high school is included in local conferences, thereby assuring that all our student-athletes have the fullest opportunity to participate in sports.

The policy of the NJSIAA has always been to minimize the need for taxpayer support of our Associations' activities. A few years ago, the Legislature mandated that we undertake steroid testing and provided a \$50,000 State appropriation, which requires an Association match. Other than these funds, which amount to less than one percent of the NJSIAA's entire budget, the Association does not receive any State appropriations.

Only 15% of our association budget is funded by dues paid by school districts. Thanks to the determination of our staff and board to keep costs low, those dues had not been increased in 18 years until 2006. That year, at the urging of Assemblyman Burzichelli, a proposal to raise the dues from \$850 to \$1,500 in 2007 and from \$1,500 to \$2,100 a year in 2008, 2009 and 2010, was presented to our 400+ member schools. It was approved by nine votes.

Instead of taxpayer dollars, we rely on corporate sponsorships and ticket revenue for those attending our post-season tournaments, as well as entry fees charged to schools who

qualify to participate in those tournaments.

To minimize taxpayer support, the NJSIAA has aggressively pursued corporate support. This year we expect to raise \$665,000 in corporate contributions, amounting to 13% of the Association's budget.

Now that the SCI report has been issued and once the Association has provided an appropriate response, we hope the NJSIAA can move forward and concentrate all of its efforts on the essential core mission of providing high quality and fair competition for New Jersey student-athletes, free of political control.