



LEGISLATIVE BUDGET AND FINANCE COMMITTEE

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A Study Pursuant to HR 318: The Pennsylvania Interscholastic Athletic Association

Report Comments by Dave Beaudoin, Project Manager

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Good morning, Madam Chair and members of the committee. I am pleased to present the results of our study pursuant to House Resolution 318 (HR 318) on the Pennsylvania Interscholastic Athletic Association (PIAA).

High school and middle school athletics are an important part of schools and communities across Pennsylvania. According to the latest survey data from the National Federation of State High School Associations (NFHS), almost half of all high school students nationwide participate in at least one sport. Youth sports can help students develop the skills they need to work cooperatively with others and to handle setbacks constructively. In short, interscholastic athletics influences the lives and routines of so many of our state's residents, including students, parents, grandparents, coaches, teachers, reporters, spectators, and enthusiasts.

HR 318 tasked the LBFC with reviewing PIAA's financial results, providing a contextual analysis of certain operational elements, and reviewing the organization's governance.

The PIAA is a non-profit corporation that develops standards and rules for interscholastic athletics in Pennsylvania. As of the 2024-25 academic year, PIAA sponsors interscholastic athletic competition in 34 sports, and its membership includes many of the state's public, private, and charter middle- and high- schools.

According to its constitution, PIAA's primary purposes are to:

- Promote and support the educational values of interscholastic athletics and the high ideals of good sportsmanship.
- Promote, establish, and enforce uniform standards in interscholastic athletic competition among member schools, and
- Promote and support safe and healthy interscholastic athletic competition.

In our report, we make three recommendations:

1. PIAA should establish a statewide body to independently record, monitor, and adjudicate student-athlete transfers among member schools.
2. PIAA should revise its feeder school policy, including adding content on feeder schools for public schools, charter schools, and other schools of choice, and refine its feeder school definition for private schools to ensure that member schools operate under uniform guidelines.

3. PIAA should clearly document its requirements for potential championship host venues, the procedures it uses to select championship sites, and the extent to which each championship site proposal meets the requirements listed in its Request for Proposal (RFP).

Our study spans three objective areas, which we present in four sections. As you can see, this report is extensive, so I will briefly summarize each of them.

In Section III, we reviewed PIAA's finances, including its revenues, expenditures, and overall fiscal health. To do that, we examined PIAA's tax returns and audited financial statements and followed up with its independent accounting firm.

PIAA's overall financial situation during our review period was solid. Its total revenues increased from \$11.7 million in fiscal year 2019-20 to \$16.9 million in fiscal year 2023-24, an increase of over 44 percent. PIAA's total assets and net assets (assets minus liabilities) more than doubled during the three years from fiscal year 2021-22 to 2023-24. Note that these amounts increased despite public gathering restrictions imposed on school sporting events due to the COVID-19 pandemic at the beginning of our review period, in 2020 and 2021. As of June 30, 2024, PIAA reported total assets of \$17.5 million and total liabilities of \$2.4 million.

In Section IV, we examined PIAA's policies on student transfers, their effects on a student-athlete's eligibility, and how they are tracked. We reviewed PIAA's policies and sent a survey about various operational issues to every high school athletic director in the state.

We found that PIAA outsources the adjudication and implementation of many transfer and eligibility matters to its District Committees. As a result, our survey of high school athletic directors found a perception of uneven enforcement. Since issues with athletic eligibility can profoundly affect a student-athlete's experience, we determined that PIAA should address this perception by establishing a statewide body to independently record, monitor, and adjudicate student-athlete transfers among member schools to achieve more consistent treatment of transfers.

Feeder schools, another topic we reviewed in this section refers to junior high or middle schools that advance students to a particular senior high school. We found that private schools have been wrongfully listing public middle schools as feeder schools, suggesting some issues with the understanding or implementation of the policy. As previously mentioned, we recommend that PIAA ensure that its policy applies equitably to all member schools by refining its definition of feeder schools for private schools.

This should help ensure that all PIAA member schools operate under uniform guidelines.

I want to acknowledge that the PIAA Board of Directors created a feeder school sub-committee in 2024 to address this issue, and its work is ongoing.

This section also looked at how schools are classified for various sports competitions.

The number of PIAA member schools and enrolled students in Pennsylvania makes a classification system necessary, as is the case in many states. Student enrollment is the most important factor in the competitive formula, which also considers a school's recent postseason success and the number of students who transferred to the program.

We specifically examined schools that changed classifications due to competitive success and the number of student transfers into those schools. In our report, we evaluated the available data on the sports affected by the competitive formula over the longest time period.

We found that PIAA does not specifically define the goals or desired outcomes for its competitive formula. It has frequently adjusted this formula, and our research found that schools of choice have recently won slightly more championships across multiple sports than they had previously. Furthermore, while the report presents our review of

how this formula works in practice, we acknowledge that numerous factors beyond a school's classification can influence on-field success.

In Section V, we analyze the agreements PIAA has negotiated and signed with various partners to broadcast postseason events. Our survey of high school athletic directors also asked for feedback on this issue.

While we received criticism from survey respondents that these exclusive agreements prevent schools from broadcasting and spectators from viewing certain postseason events, PIAA's media rights provisions are similar to those of other states.

In this section, we also examined PIAA's most recent Requests for Proposals (RFPs) for the championship sites for baseball, basketball, and football. We reviewed PIAA's policies on this topic, as well as the bids submitted for recent football and basketball state championships.

We found that PIAA considers factors such as security, accessibility, facilities, and geographic location, among others, when evaluating championship site proposals.

While PIAA lists criteria for assessing championship site location proposals in its

handbook, the organization does not have a defined procedure for comparing bids, nor does it formally document the outcome of each request for proposal (RFP) process.

Finally, in Section VI, we examined PIAA's governance structure by reviewing the organization's constitution, bylaws, and meeting minutes. We compared PIAA's governance and operations with those of a select group of Pennsylvania state-affiliated entities. Additionally, we evaluated the governance structures of interscholastic athletics oversight bodies in other states, focusing on differences in organization, structure, bylaws, and policy decisions. We selected these comparison states based on their number of high school athletes and proximity to Pennsylvania.

We did not assess whether one governance structure is inherently "better" than another; rather, we compared them to highlight their similarities and differences, providing context for PIAA's approach to governance. Our report presents these comparisons and highlights certain specific characteristics of each organization that we felt were worth noting.

I would like to thank PIAA and its outside accountants, Boyer & Ritter, for providing information and data for this report. I would also like to thank the LBFC staff who contributed to this study, including former Deputy Executive Director Steve Fickes,

Senior Analyst Matt Thomas, Counsel Stephen Kramer, and analysts Morgan Smith, Mitch Macek, and Madeleine McMaster. At this time, I would be happy to answer any questions you may have.