REPORT OF THE
NCAA DIVISION I AWARDS, BENEFITS, EXPENSES AND FINANCIAL AID CABINET
FEBRUARY 23, 2010, MEETING

***KEY ITEMS*.**

1. Review of Feedback from Financial Aid Discussion Document. The NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet continued its review of the financial aid items prioritized during its February 2010 meeting. In December 2009, the cabinet distributed a discussion document outlining the legislative history of NCAA Bylaw 15 and describing possible legislative concepts for future consideration. In order to stimulate meaningful discussion across the membership and generate feedback for the cabinet, the discussion document was posted on the cabinet's page of ncaa.org and distributed to the NCAA Division I directors of athletics, NCAA Division I conference commissioners, the chair of the NCAA Division I Student-Athlete Advisory Committee, the chair of the Conference Commissioners Association Compliance Administrators, the executive director of the National Association of Collegiate Directors of Athletics, the executive director of the National Association of Collegiate Women Athletic Administrators, the president of the National Association for Athletics Compliance, the chair of the National Association of Financial Aid Administrators and the executive directors of selected coaches associations. Further, the concepts were reported to the NCAA Division I Leadership Council at the 2010 NCAA Convention and shared with the membership during the Convention's Division I Issues Forum.

Twenty-nine responses, ranging from individual coaches and institutions to conference offices and coaches associations were received. In addition, cabinet members reported on discussions taking place within their conferences about the concepts from the discussion document. The variety of feedback received provided useful information to the cabinet. Overall, the respondents were supportive of the cabinet's decision to undertake a review of Bylaw 15, and of the cabinet's willingness to seek feedback from a variety of entities as part of its review [Reference: Supplement No. 1]. Concept Nos. 1, 2, 4, 5 and 6 were supported by a majority of the respondents. And, although Concept No. 9 was the only concept with over half of the respondents responding they were opposed to the concept, only six respondents replied that they supported Concept No. 8, and only nine replied that they supported Concept No. 10. Feedback on Concept Nos. 3-a, 3-b and 7 did not demonstrate either clear support or clear opposition to those concepts.

Based on the feedback received, the cabinet agreed to request that the staff solicit additional feedback from the membership regarding several concepts that garnered support from the cabinet and the membership (Concept Nos. 1, 2, 3-b, 4, 5, 6 and 7). This feedback will be gathered prior to the cabinet's June 2010 meeting. During its June 2010 meeting, the cabinet plans to develop and sponsor proposals for consideration during the 2010-11 legislative cycle.

BAEG Liaisons

2. Referral from NCAA Division I Basketball Academic Enhancement Group related to Bylaw 15.01.5. The cabinet discussed an issue referred by the Basketball Academic Enhancement Group related to the legislative barriers that exist for former student-athletes to return to his or her institution and earn their degree after a professional career (Bylaw 15.01.5). Specifically, the cabinet was asked to explore whether there is a willingness to remove these barriers through legislation noting that flexibility in this area may encourage more former student-athletes to return to complete their degrees. For example, a men's basketball student-athlete has not yet graduated and departs an institution after four years to pursue a professional career in his sport. The student-athlete returns to the institution four years later to finish his undergraduate degree. The current legislation specifies that in order to receive athletically related financial aid, the student-athlete must earn the aid (e.g., work in the athletics department). The cabinet agreed to take no action at this time, noting the current legislation is sufficient because there is a permissible way to provide athletics aid to these student-athletes (i.e., earned aid). Further, when truly extenuating circumstances are presented, institutions may consider submitting an NCAA Division I Legislative Council Subcommittee for Legislative Relief waiver on the student's behalf to permit the institution to provide the student-athlete with unearned athletics aid. Finally, the cabinet directed the staff to continue to monitor this issue and provide an update at a future meeting.

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3. Chapter 33 (Post-9/11 G.I. Bill) and Yellow Ribbon Program. The cabinet was provided an overview of the Post-9/11 G.I. Bill and the Yellow Ribbon Program, which became effective in August 2009. The cabinet discussed how eligibility for both programs is determined and how these sources of aid impact individual and team financial aid limits. The Post-9/11 G.I. Bill is for service members on active duty after September 11, 2001. Eligible service members may transfer entitlement to a spouse, children, or any combination of spouse and child. The Yellow Ribbon Program allows institutions to voluntarily enter into an agreement with the U.S. Department of Veterans Affairs (VA) to fund tuition expenses that exceed the amount covered by the Post-9/11 G.I. Bill. Participating institutions may contribute up to 50 percent of those expenses, and the VA will match that amount.

The cabinet agreed to sponsor legislation for the 2010-11 legislative cycle that would add VA funds awarded through the Post-9/11 G.I. Bill to the list of exempted government grants in Bylaw 15.2.5.1. In the interim, the cabinet agreed to request a blanket waiver of Bylaw 15.2.5 (government grants) from the Subcommittee for Legislative Relief, effective through the 2010-11 academic year, to exempt VA funds awarded through the Post-9/11 G.I. Bill from counting against a student-athlete's individual limit. The blanket waiver request does not include Yellow Ribbon Program funds from either the VA or a participating institution. Finally, the cabinet members agreed to solicit feedback from

their conferences related to whether the Yellow Ribbon Program funds should be exempt and re-examine the Yellow Ribbon Program during the cabinet's June 2010 meeting.

***ACTION ITEMS*.**

1. Legislative Items.

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- **Bylaw 15.2.5 - Exempted Government Grants - Chapter 33 Post-9/11 G.I. Bill.**

  (1) Recommendation. The cabinet agreed to sponsor legislation to exempt Chapter 33 (the Post-9/11 G.I. Bill) from counting toward a student-athlete's individual limit.

  (2) Rationale. This proposal expands the list of government grants that are exempted from counting toward a student-athlete's individual limit. The Post-9/11 G.I. Bill was established in 2009 and is available to individuals with at least 90 days of aggregate service on or after September 11, 2001, or individuals discharged with a service-connected disability after 30 days. These funds are provided by the VA, there is no institutional involvement in the selection of the recipient of these funds, and athletics ability and participation are not criteria for being eligible to receive these funds. This proposal supports the principle of student-athlete well-being by providing additional opportunities for student-athletes to receive financial aid that does not count toward his or her individual limit. Finally, the cabinet requested a blanket waiver, effective through the 2010-11 academic year, to exempt these funds from counting toward a student-athlete's individual limit.

  (3) Estimated Budget Impact. None.

  (4) Student-Athlete Impact. May result in a student-athlete being able to accept additional financial aid that would not count toward his or her individual limit.

  (5) Effective Date. August 1, 2011.

2. Nonlegislative Items.

- None.

***INFORMATIONAL ITEMS*.**

1. Legislative Informational Items.

- **Update on Proposals in the 2009-10 Legislative Cycle Referred to the Awards, Benefits, Expenses and Financial Aid Cabinet.** The cabinet received an update on Division I legislative proposals that were assigned to it for review.

2. Nonlegislative Informational Items.

a. Items Submitted by Cabinet Members. The cabinet discussed the following items that were submitted by cabinet members:

Kemper

(1) Full Grant-in-Aid Limit for Student-Athletes Who Live at Home. The cabinet reviewed the current application of financial aid rules and interpretations as they relate to student-athletes who live at home during the academic year. On August 2, 2007, the NCAA Division I Legislative Review and Interpretations Committee confirmed that if a student-athlete resides with his or her parents or legal guardians, the institution may only award the room and/or board figures specifically established for a student who resides with his or her parents or legal guardians as mandated by federal financial aid guidelines or institutional policy. Specifically, the cabinet reviewed a situation involving a student-athlete who resides with his or her parents or legal guardians and, per institutional policy, is assigned a room and board figure that is less than that used for students who reside off campus, but do not reside with his or her parents or legal guardians and considered whether students should be permitted to receive the higher financial aid amount (for students who live off campus). The cabinet agreed to take no action at this time, noting that an existing official interpretation [Reference: 8/2/07, Item No. 2] explains to the membership the correct figure to use when computing the equivalency value of such student-athletes. Further, when truly extenuating circumstances are presented, institutions may consider submitting a legislative relief waiver on the student's behalf. Finally, the cabinet directed the staff to provide education to the membership on this issue so

institutions can better educate student-athletes and prospective student-athletes on the applicable financial aid regulations (e.g., Regional Rules Seminars, educational column, Conference Commissioners Association Compliance Administrators monthly update).

(2) Definition of "Naturally or Legally Dependent" (Bylaw 15.2.6.1). The cabinet reviewed the history of the legislation and rationale for not permitting anyone other than an individual upon whom a student-athlete is naturally or legally dependent to pay for a student-athlete's educational costs and was asked to consider whether the "naturally or legally dependent" requirement is the appropriate standard. Specifically, the cabinet was presented with specific circumstances (e.g., close friends of the student-athlete's family, individuals who have assumed financial responsibility for a student-athlete, but are not the legal guardians) that do not satisfy the current legislation related to permissible sources of financial aid to determine whether the current rule should be expanded to permit these individuals to provide educational expenses to a student-athlete. The cabinet agreed to take no action at this time, noting the difficulties with legislating these specific circumstances. Further, the cabinet noted that when truly extenuating circumstances are presented, institutions may consider submitting a legislative relief waiver on the student's behalf. Finally, the cabinet noted institutions should have policies and procedures in place to monitor sources of financial aid received by its student-athletes.

RAPI Cabinet Liaisons

b. Feedback from the NCAA Division I Recruiting and Athletics Personnel Issues Cabinet on the Definition of "Recruited." The cabinet received an update on the Recruiting and Athletics Personnel Issues Cabinet discussion related to the definition of "recruited" and determined how it impacts the discussion on the financial aid model. Specifically, the Recruiting and Athletics Personnel Issues Cabinet indicated it is more appropriate for the Awards, Benefits, Expenses and Financial Aid Cabinet to address the financial aid issues by proposing an alternative definition of a counter that is no longer tied to the definition of a recruited student-athlete set forth in Bylaw 13. The cabinet agreed to revisit this issue during its June 2010 meeting, after receiving additional feedback from the membership regarding Concept No. 3-b (exempt all outside scholarships from counting towards team limits) from the financial aid discussion document. The cabinet also directed the NCAA academic and membership affairs staff to continue to monitor the Recruiting and Athletics Personnel Issues Cabinet's future activity related to this issue.

Committee Chair:	*M. Grace Calhoun, Indiana University, Bloomington, Big Ten Conference*
Staff Liaisons:	*Kris Richardson, Academic and Membership Affairs*
	Shauna Cobb, Academic and Membership Affairs
	Vanessa Fuchs, Academic and Membership Affairs