REPORT OF THE
NCAA DIVISION I AWARDS, BENEFITS, EXPENSES AND FINANCIAL AID CABINET
FEBRUARY 23, 2011, MEETING

***KEY ITEMS*.**

1. **Examination of maximum grant-in-aid limitations/equivalency versus head count designations.** The NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet reviewed an overview of statistical data provided by the NCAA research staff related to the ratio of available grants-in-aid to participants, award distribution across head count and equivalency sports, and median dollar amounts received by student-athletes. After reviewing this information, the cabinet discussed potential financial aid models that may be feasible future options for the membership (e.g., hybrid model currently used in sports like baseball and ice hockey). The cabinet noted additional feedback from the membership is necessary prior to recommending any modification of the current maximum grant-in-aid limitations or alteration of a sport's designation as a head count or equivalency sport. The cabinet asked staff to collect additional statistical information, including information related to unduplicated head counts by institution and by gender and to research and to develop potential alternative financial aid models. During its June meeting, the cabinet will review all information gathered and consider how amending financial aid legislation may impact Title IX and participation levels.

2. **Review of frequently requested legislative waivers associated with NCAA Bylaw 16.** The cabinet reviewed and discussed frequently-requested legislative relief waivers associated with Bylaw 16. Following its review, the cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to expand the current legislation to permit an institution to pay transportation, housing and meal expenses for any student-athlete to be present in situations in which a student-athlete suffers a life-threatening injury or illness, or, in the event of a student-athlete's death, to provide these expenses in conjunction with funeral arrangements. [See Legislative Informational Item No. 1-a] The cabinet also agreed to sponsor legislation to eliminate the prohibition against an institution providing the proceeds of fundraising conducted for student-athletes (or their immediate family members) under extreme circumstances directly to the beneficiaries. See [Legislative Informational Item No. 1-b]. Finally, the cabinet directed the staff to solicit feedback from the Collegiate Commissioners Association Compliance Administrators, Faculty Athletics Representative Association and the National Association for Athletics Compliance, on issues related to the departure/return expense restrictions legislation (Bylaw 16.8.1.2.1). Specifically, the cabinet is seeking feedback regarding the length of time (e.g., 60 hours before the start of actual competition, a certain number of nights away from campus, etc.) that is appropriate for providing departure and return expenses and, when a waiver of this legislation is needed, the appropriate body (conference, institution or national office) to consider such waivers. The cabinet will review this feedback at its June meeting.

***ACTION ITEMS*.**

1. Legislative Items.

- None.

2. Nonlegislative Items.

- None.

***INFORMATIONAL ITEMS*.**

1. Legislative Items.

a. Bylaw 16.6.1.3 (Life-Threatening Injury or Illness).

(1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to specify that the institution may pay transportation, housing and meal expenses for any student-athlete to be present in situations in which a student-athlete or a family member or legal guardian of a student-athlete suffers a life-threatening injury or illness, or in the event of a student-athlete's or student-athlete's family member or legal guardian's death.

(2) Effective Date. August 1, 2012.

(3) Rationale. Current legislation limits an institution's ability to provide these types of expenses to student-athletes who are teammates of the student-athlete. The cabinet noted that an institution's student-athletes often are a close-knit group and, as a result, other student-athletes may be as close to the affected student-athlete as his or her teammates. Therefore, an institution should have the discretion to decide when the provision of these expenses is appropriate.

(4) Estimated Budget Impact. Additional costs if institutions provide these expenses to more of their student-athletes.

(5) Student-Athlete Impact (Academic or Athletic). Minimal.

b. Bylaw 16.11.1.12-(g) (Miscellaneous Benefits).

(1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to specify that proceeds from fundraisers for student-athletes (or their immediate families) due to extreme circumstances beyond the student-athlete's control (e.g., life-threatening illness, natural disaster) may be provided directly to the beneficiaries, with receipt kept on file by the institution to document the expenses incurred and the amount provided the proceeds are designated for a specific purpose and excess proceeds are given to a not-for-profit organization with the receipt kept on file by the institution.

(2) Effective Date. August 1, 2012.

(3) Rationale. The cabinet believes allowing the proceeds of such fundraisers to be provided directly to the beneficiaries to cover specific expenses reduces the burden placed on institutions, student-athletes and families of student-athletes. Requiring the institution to maintain receipts for the expenses and proceeds provided, and maintaining the other requirements of the current legislation addresses concerns about potential abuse specific of this method of distributing proceeds from fundraisers. The cabinet also noted that institutions remain able to request a legislative relief waiver in situations where it is not possible to conduct a fundraiser.

(4) Estimated Budget Impact. None.

(5) Student-Athlete Impact (Academic or Athletic). None.

2. Nonlegislative Items.

a. Review of the NCAA Compliance Assistant application's financial aid module. The cabinet received an update on legislative enhancements being developed for the application as a result of newly-adopted financial aid legislation. The nine financial aid enhancements being developed are expected to be tested this spring and made available to users not later than August 1.

b. Outreach to financial aid community. The cabinet received an update from the staff related to outreach efforts (e.g., communication, education) to the financial aid community. In preparation for the 2011 NCAA Regional Rules Seminars, the

staff will reach out to the financial aid community for individuals to present as part of the Division I advanced financial aid session.

c. **Referral from NCAA Division I Academic Cabinet.** Following its review of the proposed year of academic readiness for two-year college student-athletes at two-year institutions, the cabinet was supportive of a model that would allow such a student-athlete to receive institutional financial aid within seven years after initial enrollment in a collegiate institution, provided the student-athlete does not receive such aid for more than six years during that period. After the seven-year period, this model, like the current legislation, would apply its restriction only to unearned athletics aid for which the athletics department intercedes on behalf of the student-athlete. The cabinet also examined the Academic Cabinet's draft concept that would increase the transferable grade-point average for 2-4 transfers who are nonqualifiers from 2.000 to 2.250 for competition while allowing those individuals to practice and receive athletics aid with a 2.000 transferable grade-point average. The cabinet was supportive of the concept, noting that allowing access to athletics aid to remain at the current grade-point average requirement may help nonqualifiers maintain access to post-secondary education. The cabinet also asked that the Academic Cabinet provide clear rationale for any of the draft concepts it considers entering in the 2011-12 legislative cycle.

d. **Additional financial aid items submitted by cabinet members.** The cabinet reviewed an item submitted by one of its members related to altering the permissible methods for financial aid equivalency computations (Bylaw 15.5.3.2) to the method currently used in Division II. The cabinet asked the staff to provide information on the current equivalency computations legislation in Division I and Division II for the cabinet to review at its June meeting. The cabinet also agreed its members would solicit feedback on the Division I and Division II equivalency computations legislation from their institutions and conferences and to be prepared to discuss the feedback during the cabinet's June meeting.

e. **Discussion of selected NCAA academic and membership affairs business practices.** The cabinet received an update on the academic and membership affairs business practices review currently occurring at the National Office. Staff noted the review is an effort to examine current business practices and determine how these practices can be streamlined to create more efficiencies while concentrating on student-athlete well-being. The cabinet provided feedback for the staff to consider during its review of the following areas: Compliance Assistant, Regional Rules Seminars, educational efforts, interpretations and the legislative process.

Finally, staff noted that in March there will be an opportunity for the membership to provide feedback for the academic and membership affairs business practices review.

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