A G E N D A

National Collegiate Athletic Association

Division I Awards, Benefits, Expenses and Financial Aid Cabinet

Hyatt Regency Indianapolis
Indianapolis, Indiana

June 21, 2011

1. Opening remarks and review of schedule. (Sarah Bobert) [**No action anticipated.**]

2. Approval of report from February 23 meeting. (Bobert) **[Action anticipated.]**

   Background: *The NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet will need to approve the report from its last meeting as distributed via email following the meeting*.

3. Review of activity on the 2010-11 legislative proposals reviewed by the cabinet in September 2010 and February 2011. [Supplement No. 1] (Shauna Cobb) [**No action anticipated.]**

   Background: *The staff will review the actions taken on proposals for which the cabinet provided comment at its September 2010 and February 2011 meetings.*

4. Review of the 2010 Growth, Opportunities, Aspirations and Learning of Students in College (GOALS) Study. [Supplement No. 2, to be distributed] (Annie Kearns) **[No action anticipated.]**

   Background: *The 2010 version of GOALS was the second administration of the study by NCAA Faculty Athletics Representatives (FARs). The first GOALS study occurred in 2006. Some new items were swapped into the 2010 version based on findings from the first study and based on topics that have generated interest within the NCAA since the first study was released, including more nuanced questions regarding the student-athlete's athletic scholarship and methods of paying for school. The cabinet will be provided a summary of study information that relates to the cabinet's areas of responsibility*.

5. Discussion on cabinet's priorities.

   a. Examination of maximum grant-in-aid limitations/equivalency versus head count designations. [Supplement No. 3] (Cobb) **[Action anticipated.]**

      Background: *The cabinet will continue its review of maximum grant-in-aid limitations and equivalency versus head count designations and assess whether to sponsor legislative proposals for the 2011-12 legislative cycle.*

   b. Update on enhancements to NCAA Compliance Assistant application's financial aid module. (Cobb) **[No action anticipated.]**

      Background: *The cabinet will be provided an update on enhancements made to, or being developed for, the NCAA Compliance Assistant application's financial aid module.*

   c Update on outreach to financial aid community. (Kris Richardson) **[No action anticipated.]**

      Background: *The cabinet will receive an update on the efforts related to this priority item.*

6. Review of equivalency computation method. [Supplement No. 4] (Danielle Teetzel/Richard Carmichael) **[Action anticipated.]**

   Background: *In February, 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 will review information on the current equivalency computations legislation in Division I and Division II, review a draft of a legislative proposal submitted by a member of the cabinet, discuss feedback collected by cabinet members and decide whether to propose legislation for the 2011-12 legislative cycle.*

7. Discussion of electronic authorizations. [Supplement No. 5] (Richardson) **[Action anticipated.]**

   Background: *The cabinet will discuss whether to recommend revising current financial aid legislation to permit electronic authorizations (e.g., electronic signatures) to substitute for signatures.*

8. Report from NCAA Division I Student-Athlete Advisory Committee (SAAC). (Bob Nolte) **[No action anticipated.]**

   Background: *Bob will provide an update on recent and upcoming SAAC activities.*

9. Report from the April governance meetings. (Bobert/NCAA Staff) [**No action anticipated.**]

   Background: *NCAA staff will provide an update on the activities from the April governance meetings and Sarah will discuss the latest work of the NCAA Division I Communications and Coordination Committee.*

10. Update on the NCAA academic and membership affairs' (AMA) business practices review. (Richardson) **[No action anticipated.]**

    Background: *The cabinet will receive an update on AMA's review of its business practices related to NCAA Compliance Assistant, NCAA Regional Rules Seminars, educational efforts, interpretations and the legislative process.*

11. Prioritization of items for review in 2011-12. [Supplement No. 6] (Bobert) [**Action anticipated.**]

    Background: *Cabinet members will set the cabinet's agenda for 2011-12 by prioritizing items for review.*

12. Summary of key items discussed and next steps. (Bobert) [**No action anticipated.**]

13. Future meeting dates and sites.

    a. September 19, 2011; Indianapolis, Indiana;

    b. February 2, 2012; Dallas, Texas; and

    c. June 2012; Indianapolis, Indiana.

14. Other business.

15. Adjournment.

NCAA Division I Legislative Proposals for Review by Awards, Benefits, Expenses and Financial Aid Cabinet

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-25	Amateurism and Awards, Benefits and Expenses -- Use of Agents -- Benefits, Gifts and Services -- Career counseling and Internship/Job Placement Services	Big East Conference	Immediate	To permit a student-athlete to use career counseling and internship/job placement services available exclusively to student-athletes, provided the student-athlete is not placed in a position in which the student-athlete uses his or her athletics ability.	**Adopted, 60-Day Override Period**
2010-58-A	Eligibility, Financial Aid and Playing and Practice Seasons -- Summer Academic Preparation and College Acclimatization -- Men's Basketball	Division I Board of Directors (Men's Basketball Academic Enhancement Group)	August 1, 2011	In men's basketball, to establish a summer academic preparation and college acclimatization model, as specified.	Defeated - Final
2010-58-B	Eligibility, Financial Aid and Playing and Practice Seasons -- Summer Academic Preparation and College Acclimatization -- Men's Basketball -- Six Hours Requirement for Incoming Student-Athletes	Division I Academics Cabinet	August 1, 2011 effective beginning with the summer 2012	In men's basketball, to establish a summer academic preparation and college acclimatization model, as specified.	Defeated - Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-58-C	Eligibility, Financial Aid and Playing and Practice Seasons -- Summer Academic Preparation and College Acclimatization --Men's Basketball -- National Service Academy Exception	Mountain West Conference	August 1, 2011, effective beginning with the summer 2012	In men's basketball, to establish a summer academic preparation and college acclimatization model, as specified, including exceptions for national service academies.	**Tabled; Pending review of men's basketball recruiting model by NCAA Division I Leadership Council**
2010-61	Financial Aid -- General Principles -- Eligibility of Student-Athletes for Institutional Financial Aid -- Exception -- Part Time Enrollment after Exhausted Eligibility	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that an institution may provide financial aid to a student-athlete who has exhausted eligibility in his or her sport and is enrolled in less than a minimum full-time program of studies, provided the student-athlete is carrying for credit the courses necessary to complete degree requirements, or the student-athlete is carrying for credit all the degree-applicable courses necessary to complete his or her degree requirements that are offered by the institution during that term.	Adopted – Final
2010-62	Financial Aid -- Definitions and Applications -- Exempted Institutional Financial Aid -- Federal Need-Based Financial Aid	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that federal government grants awarded based on a student's demonstrated financial need are considered exempted institutional financial aid and are not counted in determining the institution's financial aid limitations, regardless of whether the institution is responsible for selecting the recipient or determining the amount of aid, or providing matching or supplementary funds for a previously determined recipient.	Adopted – Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-63	Financial Aid -- Definitions and Applications -- Exempted Institutional Financial Aid -- State Need-Based Financial Aid	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that state government grants awarded based on a student's demonstrated financial need, regardless of whether the institution is responsible for selecting the recipient or determining the amount of aid, or providing matching or supplementary funds for a previously determined recipient is not included in determining the institution's financial aid limitations, provided the aid is administered in accordance with the federal methodology for determining a student's financial need and has no relationship to athletics ability; however, such aid is not exempt in determining a student-athlete's counter status for purposes of applying the football or basketball, varsity competition legislation.	Adopted – Final
2010-64	Financial Aid -- Definitions and Applications -- Exempted Institutional Financial Aid -- State Merit-Based Financial Aid	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that state government grants awarded based on a student's demonstrated financial need are considered exempted institutional financial aid and are not counted in determining the institution's financial aid limitations, regardless of whether the institution is responsible for selecting the recipient or determining the amount of aid, or providing matching or supplementary funds for a previously determined recipient, provided the aid is awarded consistent with the criteria of the legislative requirements of an academic honor award or institutional academic scholarship and has no relationship to athletics ability; however, such aid is not exempt in determining a student-athlete's counter status for purposes of applying the football or basketball, varsity competition legislation.	Adopted – Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-65	Financial Aid – Definitions and Applications -- Recruited Student-Athlete	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To establish a definition of "recruited student-athlete" for purposes of Bylaw 15, as specified.	Adopted - Final
2010-66	Financial Aid and Awards, Benefits and Expenses -- Training-Table Meals -- One Meal per Day – Student-Athletes not Receiving Full Board	Big East Conference	August 1, 2011	To permit an institution to provide one training-table meal per day to a student-athlete who does not receive athletically related institutional financial aid that covers the full cost of board; further, to specify that the provision of the one training-table meal per day to such a student-athlete shall not be considered financial aid.	Defeated – Final
2010-67	Financial Aid -- Government Grants -- Exempted Government Grants -- Exempted Institutional Financial Aid -- Post-9/11 G.I. Bill	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To exempt benefits received by student-athletes under the Post-9/11 G.I. Bill, including payments made by the Department of Veterans Affairs pursuant to the Yellow Ribbon G.I. Education Enhancement Program, from counting toward a student-athlete's individual limit; further, to specify that matching payments made by the Department of Veterans Affairs pursuant to the Yellow Ribbon G.I. Education Enhancement Program are not counted in determining the institution's financial aid limitations.	Adopted – Final
2010-68	Financial Aid -- Elements of Financial Aid -- Financial Aid from Outside Sources -- Unrelated to Athletics Ability -- Established Family Friend	Ivy Group	August 1, 2011	To specify that a student-athlete may receive financial aid from an established family friend, provided specified conditions are met.	Defeated - Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-69-A	Financial Aid -- Financial Aid from Outside Sources -- Financial Aid from an Established and Continuing Program	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that a student-athlete may receive financial aid through an established and continuing program to aid students, provided: (a) the recipient's choice of institutions is not restricted by the donor of the aid; (b) there is no direct connection between the donor and the student-athlete's institution; and (c) if the total value of the aid received by the student-athlete exceeds ten percent of the value of the institution's full grant-in-aid, documentation of the aid received by the student-athlete must be kept on file with the institution's conference office.	Defeated - Final
2010-69-B	Financial Aid -- Financial Aid from Outside Sources -- Financial Aid from an Established and Continuing Program -- No Documentation to Conference Required	Division I Legislative Council	August 1, 2011	To specify that a student-athlete may receive financial aid through an established and continuing program to aid students, provided the recipient's choice of institutions is not restricted by the donor of the aid and there is not direct connection between the donor and the student-athlete's institution.	Adopted – Final
2010-70	Financial Aid -- Summer Financial Aid -- Enrolled Student-Athletes -- Exception for First-Time Recipient in the Next Academic Year	Southeastern Conference	August 1, 2011	To specify that a student-athlete who has not received athletically related aid from the certifying institution during a previous academic year may receive athletically related financial aid to attend the institution's summer term or summer school, provided the student-athlete has been awarded athletically related financial aid for the following academic year and the aid is awarded only in proportion to the amount of athletically related financial aid the student will receive for the following academic year.	Adopted – Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-71	Financial Aid -- Terms and Conditions -- Period of Institutional Award -- One-Year Period -- Exceptions -- Graduated During Previous Academic Year and will Exhaust Eligibility during the Following Fall Term	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that a student-athlete who graduated during the previous academic year (including summer) and will exhaust his or her athletics eligibility during the following fall term may be awarded athletically related financial aid for less than one academic year.	Adopted – Final
2010-72	Financial Aid – Terms and Conditions of Awarding Institutional Financial Aid -- Reduction or Cancellation Permitted -- Release of Obligation to Provide Athletically Related Financial Aid	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	To specify that before becoming a counter for an academic year, if a prospective student-athlete or student-athlete is awarded institutional financial aid unrelated to athletics that is of equal or greater value than his or her signed award of athletically related financial aid, the prospective student-athlete or student-athlete may, on his or her initiative, release the institution of its obligation to provide the athletically related financial aid.	Adopted – Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-73	Financial Aid -- Counters and Equivalency Computations -- Required Grade-Point Average to Qualify for Exemptions of Counter Status and Countable Institutional Aid --Reduction from 3.300 to 3.000	Division I Awards, Benefits, Expenses and Financial Aid Cabinet	August 1, 2011	In football and basketball, to reduce the necessary cumulative grade-point average at the certifying institution to meet the "institutional academic aid only" exception to counter status from 3.300 to 3.000; further, to reduce the necessary cumulative transferable grade-point to exempt institutional financial aid awarded to transfer student-athletes (and the grade-point average at the certifying institution for renewals) and institutional academic scholarships based solely on the recipient's academic record at the certifying institution from team limits from 3.300 to 3.000.	Adopted – Final
2010-74	Financial Aid --Maximum Institutional Grant-in-Aid Limitations by Sport -- Executed Financial Aid Awards and Written Offers Exceeding Maximum Allowable Awards -- Baseball	Big Ten Conference	August 1, 2011	In baseball, to specify that for an ensuing academic year, the combination of executed athletically related financial aid awards and outstanding written offers of athletically related financial aid to prospective student-athletes and student-athletes shall not exceed the maximum number of permissible awards by more than one equivalency; further, to specify that the overage may be divided among not more than two individuals (student-athletes or prospective student-athletes).	Defeated – Final
2010-75	Financial Aid --Maximum Institutional Grant-in-Aid Limitations by Sport -- Equivalency Computations -- Calculation of Books	Atlantic Coast Conference and Conference USA	August 1, 2011	To increase the financial aid equivalency figure for calculation purposes for books from $400 to $800; further, to specify that if a student-athlete receives any portion of a book allowance, $800 shall be used in the numerator and denominator of the equivalency calculation.	Adopted – Final
2010-76	Financial Aid -- Maximum Institutional Grant-in-Aid Limitations by Sport -- Women's Basketball	Metro Atlantic Athletic Conference	August 1, 2012	In women's basketball, to reduce the annual limit on the number of counters at each institution from 15 to 13.	Defeated – Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-77	Financial Aid and Division Membership -- Maximum Institutional Grant-in-Aid Limitation -- Football Championship Subdivision Dominant Provisions	Division I Board of Directors (Division I Presidential Advisory Group) (Leadership Council)	Immediate	To change the voting line of NCAA Bylaw 15.5.6.2 from Federated (FCS) to Football Championship Subdivision Dominant (FCSD) and to change the voting line of Bylaw 20.9.8 and its subsections from Federated (FCS) to Football Championship Subdivision (FCSD)	Adopted - Final
2010-78	Financial Aid – Maximum Institutional Grant-in-Aid Limitations – Football Limitations -- Initial Counters -- Midyear Replacement -- Option to Count in Initial Year of Award	Southeastern Conference	Immediate	In football, to specify that an initial counter who replaces a midyear graduate may be counted against the initial limit for the year in which the aid is awarded (if the institution's annual limit has not been reached) or for the following academic year.	Adopted - Final
2010-79	Awards, Benefits and Expenses -- Permissible Expenses for Student-Athlete's Friends and Relatives -- Complimentary Admissions to Institutional Awards Banquets -- One-Time Exception -- Parents/Legal Guardians	Southeastern Conference	August 1, 2011	To specify that, on one occasion during the final academic year of a student-athlete's athletics eligibility, an institution may provide complimentary admissions for the student-athlete's parents or legal guardians to attend an institutional awards banquet at which the student-athlete is being honored.	Adopted - Final
2010-80	Awards, Benefits and Expenses -- Expenses Provided by the Institution for Practice -- Swimming and Diving -- Exception for Platform Diving	Western Athletic Conference	Immediate	In swimming and diving, to specify that if an institution does not have access to a diving platform within the mileage limitations of Bylaw 16.8.1.1, the institution may provide expenses for diving practice sessions at a site located outside the mileage limitations that includes a diving platform.	Adopted - Final

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-81	Awards, Benefits and Expenses -- Permissible Expenses Provided by the Institution for Competition -- Travel Squad Limits	Big Ten Conference	August 1, 2011	To establish travel squad limits for regular season, away-from-home competition, including exhibitions/scrimmages, nonchampionship segment competition and conference championships and neutral site competitions, as specified.	Withdrawn - Final
2010-82	Awards, Benefits and Expenses -- Expenses Provided by the Institution for Practice and Competition -- Travel to NCAA Championships, National Governing Body Championships in Emerging Sports and Postseason Bowl Games During Vacation Period -- Exceptions and Incidental Expenses	Southeastern Conference	August 1, 2011	To specify that if an student-athlete does not use team travel to NCAA championships, National Governing Body championships in emerging sports and postseason bowl games during a vacation period, the institution may only provide actual and necessary transportation costs for the student-athlete to travel from: campus to the event site and back to campus; campus to the student-athlete's home and back to campus; or the student-athlete's home to the event site and back home; further, to specify that reimbursement for automobile mileage shall not exceed the rate provided to institutional staff members and shall be limited to not more than 400 miles one-way; finally, to increase, from $20 to $55, the amount of money that an institution may provide to each member of the squad to cover unitemized incidental expenses during travel and practice for such events.	A-A: Adopted - Final **A-B: Adopted, 60-Day Override Period** B: Rendered Moot - Final
2010-83	Awards, Benefits and Expenses -- Expenses Provided by the Institution for Practice and Competition -- Nonpermissible -- Lodging in Conjunction with a Regular-Season Home Contest -- Championship Subdivision Football	Division I Championship	August 1, 2011	In championship subdivision football, to specify that an institution shall not provide lodging (e.g., hotel, motel) to any student-athlete in conjunction with a home contest.	**Adopted, 60-Day Override Period**

Proposal Number	Title	Source	Effective Date	Intent	Status
2010-84	Awards, Benefits and Expenses -- Participation Awards -- Maximum Value of Award -- Increase to Maximum Values	Southeastern Conference	August 1, 2011	To increase the limitation on the maximum value of the annual participation award for a senior by $100 and to increase the limitation on the maximum value for all other participation awards by $50, as specified.	Adopted - Final

SUPPLEMENT NO. 3

NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet Equivalency Versus Head Count Designations

Background.

In February 2011, the NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet reviewed current equivalency and head count designations as defined in NCAA Bylaws 15.5.2, 15.5.3.1.1 and 15.5.3.1.2 in an effort to determine whether an in-depth examination of those designations should be prioritized by the cabinet. 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 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.

Financial Aid Concepts.

Concept No. 1: Create a Hybrid Designation for Specific Sports.

Current Legislation: Currently, there are three Division I sports that have a hybrid financial aid model: Baseball, championship subdivision football and ice hockey. Each has an annual limit on the value of financial aid awards and an annual limit of counters.

Impact of Concept: This concept would specify that designated sports have a hybrid model of financial aid.

Points to Consider:

1. Is there a benefit to specific sports converting to this model? Specifically, what effect will a limit on the number of counters present in participation opportunities for some sports?

2. Is an institution more likely to fully fund a sport if they are able to provide aid to a specific number of student-athletes?

3. Information is available that would be helpful to determine if this model would be feasible. Specifically, the NCAA research staff has information concerning the number of student-athletes receiving specific equivalency amounts.

4. Information is available to demonstrate the number of student-athletes who participate in athletics and do not receive athletics aid.

Concept No. 2: Changing Designation for Specific Sports.

Current Legislation: Currently, in sports that are designated as head count sports a student-athlete is determined to be a full counter if they receive any amount of aid.

Impact of Concept: This concept would change designations for specific sports.

Points to Consider:

1. The 1971 NCAA Council Committee on Financial Aid conducted a review of financial aid that led to the establishment of financial aid limits based on an attempt to maintain control over those athletic expenditures that were within the control of athletics. The result was implementation of legislation that required institutions to grant financial aid to student-athletes based on what is reasonably needed to finance the education.

2. Does a change in financial aid designation allow for increased participation in a particular sport?

3. Will institutions provide additional aid to more student-athletes if designations are changed?

4. Are there any sports that would benefit from a change from equivalency to head count? From head count to equivalency?

Concept No. 3: Establish Minimum Equivalencies for Specific Sports.

Current Legislation: Currently, baseball is the only Division I sport with required minimums for student-athletes receiving athletics aid.

Impact of Concept: This concept would establish minimum equivalencies for specific sports.

Points to Consider:

1. During the 2007 legislative cycle, the sport of baseball approached issues with transfer students and student-athlete well-being.

The implementation of a minimum equivalency was to address transfers reluctant to serve a year in residence and the ability of baseball coaches to effectively and efficiently manage the distribution of equivalencies.

2. Availability of information to demonstrate sports that offer an average number of financial awards based on participation numbers.

3. Support student-athlete well-being by guaranteeing student-athletes a minimum amount of athletics aid.

4. Requiring an institution to provide a minimum amount of aid may adversely impact a sport that the institution previously chose to fully fund. Specifically, an institution may not fully fund a sport that was previously fully funded, in an effort to ensure that each student-athlete that received athletics aid was awarded the minimum equivalency.

SUPPLEMENT NO. 4

Discussion on Alternate Methods for Financial Aid Equivalency Computations: The Division II Model.

Purpose.

The purpose of this report is to review the current NCAA Division II financial aid equivalency computation model and discuss examples illustrating how each component of the equivalency model impacts financial aid equivalency computations. In addition, the staff hopes the NCAA Division I Awards, Benefits and Financial Aid Cabinet can engage in discussions specific to the possibility of the Division II financial aid equivalency computation model being adopted as a part of the Division I model.

Background.

The current Division II legislation was adopted at the 1990 NCAA Convention. Under this legislation, if an institution uses the actual athletics grant received by the student-athlete in the numerator of the equivalency equation, then the institution must also use the actual full grant-in-aid amount in the denominator. For example, if the actual cost of a full grant-in-aid is $10,000 and a student-athlete receives a $5,000 athletics grant, the calculation using the actual method would be as follows:

$5,000 / 10,000 = .50

However, the institution could also use the averaging method which permits the institution to calculate an average cost of tuition, room and board for all students who are full-time. For example, if the average full grant-in-aid is $11,000 and the student-athlete is awarded a one-half scholarship (.50), the calculation using the averaging method would be as follows:

$5,500 / $11,000 = .50

As noted, the student-athlete's equivalency (.50) based on either method (actual vs. averaging) does not change. In addition, by using the averaging method, the student-athlete actually received $5,000 but the squad list indicates an amount of $5,500 because the average full grant-in-aid number was used as the denominator resulting in the squad list having one consistent number for the full grant-in-aid for every student-athlete.

It was discovered that many NCAA Division II institutions had inadvertently combined both of the above methods and created an impermissible third method. As a result, during the 2006 NCAA Convention, the Division II membership adopted legislation to specify the method in which a student-athlete's financial aid equivalency may be calculated. This legislation made it permissible for Division II institutions to use the actual amount of financial aid a student-athlete receives in the numerator and the average cost of a full grant-in-aid in the denominator (or the reverse) of the equation in order to determine the student-athlete's equivalency value. For example, if the actual amount of financial aid is $5,000 and the average full grant-in-aid is $11,000, then the calculation using the actual over-average method would be as follows:

$5,000 / $ 11,000 = X X = .454

The Division II membership ultimately adopted the actual-over-average method given it allowed for a simpler model by creating one number to be used in the denominator for all student-athletes no matter the actual full grant-in-aid amount.

Questions for Discussion.

1. Does the actual-over-average model work for the NCAA Division I membership when calculating equivalency computations?

2. Is the Cabinet concerned that institution's that choose to use the actual-over-average model could gain additional equivalencies given mathematically, the equivalency reached under this method is less than that from the true actual or average method? Will this result in a recruiting advantage for these institutions? If yes, is this a significant enough recruiting advantage that the model is not an appropriate option for the NCAA Division I Membership?

3. If the Cabinet believes some type of change needs to be made but does not support the Division II model, what are some other suggestions?

FINANCIAL AID – EQUIVALENCY SPORTS – EQUIVALENCY COMPUTATIONS

Intent: To clarify that an institution may use either the actual or average amount received by a student-athlete as the numerator and either the actual or average amount of the full grant-in-aid value in the denominator for equivalency purposes.

A. **Bylaws:** Amend 15.5.3.2 (b), as follows:

15.5.3.2 Equivalency Computations. In equivalency sports, each institutional financial aid award (per Bylaw 15.02.4.1) to a counter shall be computed as follows:

[15.5.3.2-(a) unchanged.]

(b) A fraction shall be created, with the amount received by the student-athlete (up to the value of a full grant-in-aid) as the numerator and the full grant-in-aid value for that student-athlete as the denominator based on the actual cost or average cost of a full grant for all students at that institution. Financial aid unrelated to athletics ability (see Bylaw 15.1) received by the student-athlete in excess of a full grant-in-aid shall not be included in this computation. *(Revised: 1/10/90, 4/29/04 effective 8/1/04)* **In addition, an institution may use either the actual or average amount received by a student-athlete as the numerator and either the actual or average amount of the full grant-in-aid value as the denominator."**

[15.5.3.2-(c) unchanged.]

B. **Bylaws:** Amend 15.5.3.2.1 (a), as follows:

15.5.3.2.1 Additional Requirements. The following additional requirements shall apply to equivalency computations:

(a) ~~An institution may use either the actual cost or average cost of any or all of the elements (other than books) of the equivalency calculation (room, board, tuition and fees), provided the same method is used in both the numerator and denominator for each element. Either method (or different combinations of methods among elements) may be used for each student-athlete on the same team or for separate teams generally.~~

[15.5.3.2.1-(b)-(c) unchanged.]

Source: Atlantic Coast Conference.

Effective Date: August 1, 2012.

Rationale: This proposal is consistent with a similar deregulatory effort adopted by Division II in 2006 (2006-32), which would provide Division I institutions with greater flexibility in calculating equivalencies. Currently, the rules allow an institution awarding a lump sum amount to use the actual cost in the numerator and the average cost in the denominator only if the institution does not have policies requiring payment in a specific order (e.g., hierarchy of

elements), and as a result, the same award can yield different equivalencies at different institutions. This can create a competitive advantage based solely on an institution's accounting practices. This proposal will help address the inconsistent application of the current legislation among institutions, remove unnecessary restrictions, and allow institutions to award athletic aid on an elemental and/or hierarchical basis. The proposal will ultimately allow the same flexibility in calculating equivalencies and a more consistent application of the legislation among all Division I institutions.

Estimated Budget Impact: None.

Impact on Student-Athlete's Time (Academic and/or Athletics): None.

DRAFT

NCAA Staff Interpretation
Calculation of Equivalencies for Lump Sum Financial Aid Awards (I)

Concerning Bylaw 15.5.3.2

Staff Interpretation
Calculation of Equivalencies for Lump Sum Financial Aid Awards (I)
Date Published: August 20, 2009
Item Ref: 1
Interpretation:
The academic and membership affairs staff determined that an institution that awards financial aid in terms of dollars that is not assigned to any element (i.e., lump sum amount), rather than units of aid or a fraction that represents an element of a full grant, may use the amount received by the student-athlete (numerator) and either the **actual** or the **average** cost of a student-athlete's full grant-in-aid (denominator) in calculating that student-athlete's equivalency. However, the staff determined that an institution whose policies require payment in a specific order (e.g., hierarchy of elements) for dollar awards is considered to be awarding aid assigned to an element(s) and, therefore, must use the same cost methodology (i.e., **actual** or **average**) in both the numerator and denominator.

SUPPLEMENT NO. 5

NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet
Use of Electronic Signatures

Background.

In February 2004, the financial aid subcommittee of the NCAA Division I Academics/Eligibility/Compliance Cabinet recommended editorially revising the summer financial aid and written statement requirement legislation to allow institutions to use electronic authorizations (e.g., electronic signatures) when awarding athletics aid or certifying that aid was awarded without regard to athletics ability. At the time, the rationale was that the revision would permit institutions to take advantage of technological advances to more efficiently send financial aid agreements to its student-athletes, while still requiring verification by the appropriate authorities. (Attachment A)

At the time, the electronic authorization (e.g., electronic signature) option was not added to other financial aid legislation, including legislation that referenced a student-athlete's signature (e.g., fraudulent misrepresentation and decrease not permitted legislation).

Given the current state of technology, and the ever-expanding role it possesses on many campuses, does the cabinet support recommending that all financial aid legislation that references a signature (administrator, student-athlete, etc.) be editorially revised to permit an electronic authorization (e.g., electronic signature) to be used?

Points to Consider.

- Are electronic authorizations being used to satisfy other institutional requirements (e.g., notice, receipt, acceptance, etc.) in the athletic department, the financial aid office or other areas on campus?

- Does permitting an electronic authorization provide institutions a more efficient means of administering financial aid for its student-athletes?

- Are there advantages to requiring a physical signature, as opposed to an electronic authorization?

Additional Information.

The text of the financial aid legislation that references a signature is attached. (Attachment B)

ATTACHMENT A

ER-2004-11 -- FINANCIAL AID -- WRITTEN STATEMENT REQUIREMENT

Status: Adopted – Final
Intent: na

A. Bylaws: Amend 15.2.7.1.2, as follows:
"15.2.7.1.2 Summer Financial Aid - Prior to Initial, Full-Time Collegiate Enrollment. The following conditions apply to the awarding of financial aid to a prospective student-athlete to attend an institution in the summer prior to the prospect's initial, full-time collegiate enrollment:

[15.2.7.1.2-(a) through 15.2.7.1.2-(c) unchanged.]
"(d) The awarding institution certifies in writing that the student's financial aid was granted without regard in any degree to athletics ability. The written certification shall be on file in the office of the director of athletics and shall be signed**, or electronically authorized (e.g., electronic signature),** by the faculty athletics representative and the director of financial aid. Violations of this bylaw do not affect a prospect's eligibility; however, the violation shall be considered an institutional violation per constitution 2.8.1."

B. Bylaws: Amend 15.3.2.3, as follows:
"15.3.2.3 Written Statement Requirement. In all cases, the institutional agency making the financial aid award shall give the recipient a written statement of the amount, duration, conditions and terms of the award. The chair of the regular committee or other agency for the awarding of financial aid to students generally, or the chair's official designee, shall sign **or electronically authorize (e.g., electronic signature)** the written statement. The signature of the athletics director, attesting to the committee's award, does not satisfy this requirement."

Source: NCAA Division I Academics/Eligibility/Compliance Cabinet (Legislative Review/ Interpretations Subcommittee)

Effective Date: Immediate
Proposal Category: Editorial
Topical Area: Financial Aid
Rationale: na
Estimated Budget Impact: na
Impact on Student-Athlete's Time (Academic and/or Athletics): na

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History

Feb 19, 2004: This revision will permit an institution to take advantage of technology advances to more efficiently send financial aid agreements to its student-athletes, while still requiring verification by the appropriate authorities.

Feb 24, 2004: Submit; Submitted for consideration.

Mar 10, 2004: Academics/Eligibility/Compliance Cabinet Subcommittee on Continuing Eligibility, Recommends Approval.

Mar 10, 2004: Adopted; Adopted – Final.

ATTACHMENT B

NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet
Current Financial Aid Legislation Referencing a Signature

Legislation that Includes an Electronic Authorization Option.

Bylaw 15.2.8.1.3 - Prior to Initial, Full-Time Collegiate Enrollment -- Institutional Nonathletics Aid. Effective Date: August 1, 2011

The following conditions apply to the awarding of institutional nonathletics financial aid to a prospective student-athlete to attend an institution in the summer prior to the prospective student-athlete's initial, full-time collegiate enrollment: (Revised: 1/10/90, 1/10/92, 4/29/04, 1/10/05 effective 5/1/05)

(a) The recipient shall be admitted to the awarding member institution in accordance with regular, published entrance requirements; (Adopted: 1/10/90)

(b) The recipient, if recruited (per Bylaw 15.02.8), is subject to NCAA transfer provisions pursuant to Bylaw 14.5.2-(h); (Adopted: 1/10/90, Revised: 1/15/11 effective 8/1/11)

(c) During the summer term or orientation period, the recipient shall not engage in any countable athletically related activities except for those activities specifically permitted in Bylaw 17 (see Bylaws 17.1.1 and 17.1.1.1); and (Adopted: 1/10/90, Revised: 3/14/05)

(d) The awarding institution certifies in writing that the student's financial aid was granted without regard in any degree to athletics ability. The written certification shall be on file in the office of the director of athletics and shall be signed, or electronically authorized (e.g., electronic signature), by the faculty athletics representative and the director of financial aid. Violations of this bylaw do not affect a prospective student-athlete's eligibility and shall be considered institutional violations per Constitution 2.8.1. (Adopted: 1/10/90, Revised: 4/26/01, 3/10/04)

Bylaw 15.3.2.3 - Written Statement Requirement.
In all cases, the institutional agency making the financial aid award shall give the recipient a written statement of the amount, duration, conditions and terms of the award. The chair of the regular committee or other agency for the awarding of financial aid to students generally, or the chair's official designee, shall sign or electronically authorize (e.g., electronic signature) the written statement. The signature of the athletics director, attesting to the committee's award, does not satisfy this requirement. (Revised: 3/10/04)

Legislation that does not Include an Electronic Authorization Option.

Bylaw 15.3.4.2.3 - Fraudulent Misrepresentation.
If a student-athlete is awarded institutional financial aid on the basis of declaring intention to participate in a particular sport by signing a letter of intent, application or tender, action on the

part of the grantee not to participate (either by not reporting for practice or after making only token appearances as determined by the institution) would constitute fraudulent misrepresentation of information on the grantee's application, letter of intent or financial aid agreement and would permit the institution to cancel or reduce the financial aid. (Revised: 1/11/94)

Bylaw 15.3.4.2.5 - Release of Obligation to Provide Athletically Related Financial Aid.
Effective Date: August 1, 2011
Before becoming a counter for an academic year, if a prospective student-athlete or student-athlete is awarded institutional financial aid unrelated to athletics that is of equal or greater value than his or her signed award of athletically related financial aid, the prospective student-athlete or student-athlete may, on his or her initiative, release the institution of its obligation to provide the athletically related financial aid. (Adopted: 1/15/11 effective 8/1/11)

Bylaw 15.3.4.3.2 - Decrease Not Permitted.
An institution may not decrease a prospective student-athlete's or a student-athlete's financial aid from the time the prospective student-athlete or student-athlete signs the financial aid award letter until the conclusion of the period set forth in the financial aid agreement, except under the conditions set forth in Bylaw 15.3.4.2. (Adopted: 1/11/94, Revised: 4/2/03 effective 8/1/03)

Bylaw 15.5.1.10.1 - Limitation on Number of National Letter of Intent/Offer of Financial Aid Signings -- Bowl Subdivision Football.
In bowl subdivision football, there shall be an annual limit of 28 on the number of prospective student-athletes who may sign a National Letter of Intent or an institutional offer of financial aid from the initial signing date of the regular signing period of the National Letter of Intent through May 31. (Adopted: 1/16/10 effective 8/1/10)

Bylaw 15.5.6.4.1 - Voluntary Withdrawal.
An institution may replace a counter who voluntarily withdraws from the football team by providing the financial aid to another student who already has enrolled in the institution and is a member of the football squad. For this replacement to occur, the counter must withdraw prior to the first day of classes or before the first game of the season, whichever is earlier, and provide the institution with a signed statement releasing the institution from its obligation to provide institutional financial aid and verifying the voluntary nature of the withdrawal. The institution may immediately (beginning with the fall term) award the financial aid to a student-athlete who has been a member of the team for at least one academic year and has not previously received athletically related financial aid. A student-athlete who has not been a member of the team for at least one academic year may not receive the financial aid during the fall term, but may receive it in a following term (e.g., spring semester, winter quarter). (Revised: 4/28/05 effective 8/1/05)

Bylaw 15.5.11.2.1 - Procedures.
The following procedures shall be used for the squad list: (Revised: 7/30/10)

(a) The forms shall be kept on file in the office of the athletics director, and such file shall be available for examination upon request by an authorized representative of another member institution, the NCAA, and, if the institution is a member of a conference, an authorized representative of the conference;

(b) A supplementary form may be filed to add names of persons not initially on the squad or to indicate a change of status; (Revised: 1/9/06 effective 8/1/06)

(c) A student-athlete's name must be on the official institutional form to qualify to represent the institution in intercollegiate athletics;

(d) The athletics director shall sign the form for each sport. The head coach in each sport shall sign the form for the applicable sport. (Revised: 1/9/06 effective 8/1/06)

Bylaw 15.5.11.3 - Drug-Testing Consent-Form Requirement.
Any student-athlete who signs a drug-testing consent form must be included on the institution's squad-list form, and any student-athlete who is included on the squad-list form must have signed a drug-testing consent form pursuant to Bylaw 14.1.4. (Adopted: 1/10/92 effective 8/1/92)

NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet Items Reviewed and Prioritized in September 2008

Background. During its first meeting, as part of the transition to the current governance structure, the NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet reviewed items in order to determine which topics to prioritize for review. The cabinet prioritized four items, instructed the staff to explore two items and chose not to prioritize two items. As the cabinet prepares for its fourth year, reviewing items examined in September 2008 and identifying additional items for examination will assist the cabinet in determining what topic(s) to prioritize for review in 2011-12 and future years.

Priority Items. The cabinet identified the following priority topics to address and noted that data collection would be necessary to fully examine each of these issues:

(a) Examination of maximum grant-in-aid limitations. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement Nos. 6, 9 and 11]

  (i) Individual (including examination of countable aid);

  (ii) Team (including examination of countable aid); and

  (iii) Equivalency versus head count designations.

(b) Athletics aid hearing opportunities. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement No. 10]

(c) Multiyear scholarships/presumption of renewal concept. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement No. 9]

(d) Educational outreach to financial aid administrators. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement No. 7]

Items Identified for Staff to Explore for Future Meetings. During this discussion, the cabinet directed the staff to explore the following two items and report on its progress at future meetings:

(a) Improvements to the NCAA Compliance Assistant Software Program. The cabinet recommended that the compliance assistant team undertake a review of the program's financial aid module to determine if it can be used to help the membership better understand and apply financial aid legislation.

(b) Incorporation of Financial Aid Information in the NCAA Guide for the College Bound Student-Athlete. The cabinet directed the staff to include information related to NCAA financial aid regulations, including period of award information and information related to individual and team financial aid limits, in the 2009-10 NCAA Guide for the College-Bound Student-Athlete.

Items Discussed, but Not Prioritized. The cabinet discussed but declined to prioritize discussion on the following topics:

(a) Athletics aid to nonqualifiers. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement No. 12] The cabinet expressed concern that permitting athletics aid during the initial year in residence may take away an incentive for prospective student-athletes to become qualifiers. For this reason, the cabinet did not prioritize the issue but is willing to discuss it at a later date if the Academic Cabinet determines it to be a priority; and

(b) Participation awards limitations. [Reference Awards, Benefits, Expenses and Financial Aid Cabinet September 2008 Supplement No. 13]