**SUPPLEMENT NO. 7**

## Review of Equivalency Computation Method
## Summary of Feedback Provided by Cabinet Members

Background.
During its June meeting, the cabinet reviewed and discussed altering the permissible method for equivalency computations (NCAA Division I Bylaw 15.5.3.2) to a method similar to the method used in Division II. The cabinet reviewed information on the current equivalency computations legislation in Divisions I and II, and agreed to sponsor legislation for the 2011-12 legislative cycle to permit an institution to 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 when calculating equivalencies (Proposal No. 2011-76). In addition to sponsoring Proposal No. 2011-76, the cabinet agreed its members would engage their campuses and conferences in discussions on methods for calculating equivalencies, including methods that would not use actual and average figures the way they currently are used. This document, along with its attachment, summarizes the feedback provided by the cabinet members and their conferences.

Summary of Feedback.
Although the feedback varied on how to proceed (see Attachment), it is clear that the respondents support an equivalency computation method that is as simple as possible and can be applied consistently across institutions. Some respondents were unable to propose a method that improves the current method, several either are satisfied with the current method or believe the method described in Proposal No. 2011-76 is appropriate, and others proposed different methods that they believe will simplify the equivalency computations and provide a more consistent method for computing equivalencies.

Some of the suggested methods focus on simplifying the equivalency computation method and encouraging consistent application of the method by retaining the current elements of a full grant-in-aid and altering hose those elements are handled in the numerator or denominator. Examples of this type of approach include:

- Using the same denominator for all student-athletes at the institution;
- Requiring institutions to use actual aid awarded in the numerator and the average value of a full grant-in-aid in the denominator; and
- "Block"-type models that designate elements of a full grant-in-aid as having a squad list value that is independent from the actual amount the institution spent to provide that element to the student-athlete.

Others suggested simplifying the equivalency computation method and encouraging consistent application of the method by removing items from the computation. Examples of this type of approach include

- Deregulating the awarding of books by removing those awards from Bylaw 15 and establishing the awards as permissible academic benefits under Bylaw 16.

- Removing all academic and need-based institutional financial aid from the equivalency computation. This would result in only athletically-related aid being considered in the computation.

Points to Consider.
As the cabinet considers whether to pursue proposing additional changes to the equivalency computations legislation, some items to consider are

- In addition to simplification and consistency, what other factors should be considered when determining an appropriate equivalency computation method?

- Are "actual" and "average" amounts appropriate values to use, or does another approach (e.g., "block"-type) lead to a more appropriate equivalency computation method?

- What are the consequences associated with the different approaches?