

**REPORT OF THE
NCAA DIVISION I AWARDS, BENEFITS, EXPENSES AND FINANCIAL AID
CABINET
SEPTEMBER 17-18, 2009, MEETING**

ACTION ITEMS.

1. Legislative Items.

- None.

2. Nonlegislative Items.

- None.

KEY ITEMS.

- 1. Discussion of Financial Aid Models.** The NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet continued its review of the financial aid items prioritized during its February 2009 meeting. Models related to the current financial aid legislation were reviewed to determine the level of impact the suggested changes would have on student-athlete well-being, team financial aid limits, the athletics department and the availability of financial aid for the general student body. The cabinet then prioritized the elements from the models. The cabinet directed the staff to develop a discussion document to obtain feedback from the broader membership. It is anticipated that this document will be disseminated to the membership in time for the 2010 NCAA Convention.

- 2. One-Year Period of Award Legislation (NCAA Bylaw 15.3.3.1).** The cabinet continued its discussion of the merits of current NCAA legislation limiting athletically related financial aid to a maximum of one year. The cabinet agreed to maintain the one-year limit because it allows an institution the autonomy to provide the most deserving student-athletes athletics financial aid and ensures the best product available to the general public. Members of the cabinet believe that athletics financial aid is a "merit" award and an annual review of whether an individual meets the standards of a merit award is the most appropriate way to ensure that the most deserving student-athletes receive that award each year. Finally, it was noted that the financial aid hearing opportunity best practices document includes suggested best practices on notifying and educating student-athletes on the reasons athletics aid may be cancelled or reduced. The cabinet agreed to include additional information related to the expectations of the

institution and student-athlete as they relate to renewing and receiving athletics financial aid.

3. **Directive to Review Division I Bylaws.** At the direction of the NCAA Division I Board of Directors, the cabinet engaged in an examination of Bylaws 15 and 16, and developed legislative recommendations that could provide financial and operational relief to the membership. In addition to the recommendations located in the legislative informational items section of this report, the cabinet also discussed, but did not forward recommendations for, decreasing the number of complimentary tickets to championships for student-athletes and reducing the value limits for participation awards. The cabinet believes these decisions are more appropriately left to the discretion of an institution.

INFORMATIONAL ITEMS.

1. Legislative Informational Items.

- a. **The Awards, Benefits, Expenses and Financial Aid Cabinet Respectfully Submits the Following Legislative Concepts as a Result of Its Review of Division I Bylaws as Directed by the Board of Directors.**

- (1) Bylaw 15.3.3.1.1 -- Financial Aid -- Terms and Conditions of Awarding Institutional Financial Aid -- Period of Institutional Financial Aid Award - - One-Year Period -- Exceptions.

- (a) Recommendation. The cabinet agreed to request consideration of legislation to create an additional exception to the one-year period legislation to specify that a student-athlete who graduates during the previous academic year (including summer) may receive athletically related financial aid for less than one academic year, provided the student will exhaust his or her remaining athletics eligibility during the fall term.

- (b) Rationale. Under current legislation, NCAA rules prohibit an institution from awarding athletics aid for less than one academic year to a student-athlete with eligibility remaining who has already graduated prior to the academic year in question. The cabinet noted that it is appropriate to allow institutional discretion to determine, on a case-by-case basis, whether to provide athletics aid for less than one year to a student-athlete with eligibility

remaining who has already graduated prior to the academic year in question. Currently, an institution must provide a one-year athletics aid agreement to such a student-athlete and he or she may not genuinely be interested in attending the entire spring semester. In many cases, a student-athlete may attend classes at the beginning of the spring or winter term in order to obtain their scholarship and then focus on training for their professional career. Permitting an institution to review the appropriateness of a second term of athletics aid in these situations could save the institution money if it decides a student-athlete is not engaged enough academically to provide them athletics aid for the second semester.

(2) Bylaw 16.8.1.2.1.1 -- Awards, Benefits and Expenses for Enrolled Student-Athletes -- Expenses Provided by the Institution for Practice and Competition -- Permissible -- Departure/Return Expense Restrictions -- Exceptions.

- (a) Recommendation. The cabinet agreed to request consideration of legislation to create an additional exception to the departure/return expense restrictions to specify that an eligible student-athlete may receive actual and necessary travel expenses to represent the institution in athletics competition, provided the student-athlete departs for the competition no earlier than 60 hours prior to the start of the actual competition, the institution can demonstrate overall cost savings, the student-athletes do not miss additional scheduled class time due to the earlier departure and the institution's faculty athletics representative certifies in writing, prior to the travel, that student-athletes miss no additional scheduled class and that there is overall cost savings. Further, the recommendation would specify that the institution must include any additional costs incurred due to the earlier departure (e.g., hotel nights, meals) when evaluating whether there is overall cost savings.
- (b) Rationale. Under the current legislation, if an institution's team would like to depart campus more than 48 hours prior to the actual competition due to a documented cost savings related to travel, a waiver must be filed with the NCAA Division I Legislative Council Subcommittee for Legislative Relief. Over the past three years, approximately 140 waivers have been filed for relief of the

departure/return expense restrictions. Of those requests, approximately 30 percent involved assertions related to cost savings. Such waivers are typically granted, provided student-athletes do not miss additional class time as a result of the earlier departure and the institution's faculty athletics representative approved the submission of the waiver request. Under this proposal, if the earlier departure requires additional costs (e.g., hotel nights, meals), the institution must document that overall cost savings result from departing outside of the 48-hour period. Finally, while this proposal would result in student-athletes missing additional campus time, the requirement that such travel must receive prior, written approval from the institution's faculty athletics representative ensures an appropriate academic review.

(3) Bylaw 16.8.1.2.1.1-(e) -- Awards, Benefits and Expenses for Enrolled Student-Athletes -- Expenses Provided by the Institution for Practice and Competition -- Permissible -- Departure/Return Expense Restrictions -- Exceptions.

(a) Recommendation. The cabinet agreed to request consideration of legislation to create an exception to the departure/return expense legislation to specify that return transportation following contests in NCAA championship events, National Governing Body (NGB) championships in emerging sports or licensed postseason football games that take place during the institution's official vacation period during the academic year or between regular academic terms are exempt from the requirement that a student-athlete remain no longer than 36 hours following the conclusion of the competition in order to receive actual and necessary expenses to return to campus, provided the return transportation expenses are equal to or less than the value of the return travel purchased by the team (i.e., within 36 hours following the conclusion of the actual competition).

(b) Rationale. Under the current legislation, when an institution is participating in an NCAA championship event, NGB championship in emerging sports or a licensed postseason football game that takes place during the institutional vacation period and classes are not in session, the institution may provide return transportation to any student-athlete who chooses to stay in the locale of the competition for an extended period after the

competition, regardless of the cost. This proposal would modify the current rule to specify that return transportation expenses may be provided by the institution to the student-athlete only if the cost for such expenses is equal to or less than the value of the return travel purchased by the team that occurs within 36 hours following the conclusion of the actual competition. This proposal is intended to provide some savings related to post-competition travel.

(4) Bylaw 16.8.1.5.1 -- Awards, Benefits and Expenses for Enrolled Student-Athletes -- Expenses Provided by the Institution for Practice and Competition -- Permissible -- Travel to NCAA Championships, NGB Championships in Emerging Sports and Postseason Bowl Games during Vacation Period.

- (a) Recommendation. The cabinet agreed to request consideration of an amendment to Bylaw 16.8.1.5.1.1-(a) to specify that an institution may only provide (in lieu of team transportation) the actual transportation costs incurred by the student-athlete to travel from: (1) campus to the event site and back to campus; (2) campus to the student-athlete's home and back to campus; or (3) the student-athlete's home to the event site and back home. Further, to specify that the institution may provide actual transportation costs only if the student-athlete either returns to campus on his or her own or travels home from the event site.
- (b) Rationale. The current legislation permits an institution to provide (in lieu of team transportation) the greater of the transportation costs for the student-athlete to travel from: (1) campus to the event site and back to campus; (2) campus to the student-athlete's home and back to campus; or (3) the student-athlete's home to the event site and back home. Under this legislation, if an institution chooses to provide the greater amount of the transportation costs, the student-athlete may retain funds intended to be used for transportation expenses even though the student-athlete did not use the most expensive option of travel. This proposal would ensure that institutions are providing a student-athlete with the actual costs associated with his or her travel and would likely result in savings, particularly for bowl travel. For example, a student-athlete who travels with the team to the event site and the student-athlete travels from the event site to their home (in lieu of team transportation), the institution

would be limited to providing the actual cost of the student-athlete's trip home from the event site.

b. Comments on Proposals in the 2009-10 Legislative Cycle Referred to the Awards, Benefits, Expenses and Financial Aid Cabinet. The cabinet reviewed Division I legislative proposals assigned to it for review that will be considered by the Division I membership as part of the 2009-10 legislative cycle and offered the following comments:

- (1) NCAA Proposal No. 2009-12 -- Personnel -- Definitions and Applications -- Undergraduate Student-Assistant Coach. The cabinet agreed to oppose NCAA Proposal No. 2009-12 as written, which would permit a student-athlete to serve as an undergraduate student-assistant coach at the institution at which the student-athlete most recently participated in intercollegiate athletics, provided the student-athlete is currently enrolled at the institution as a full-time undergraduate student and he or she renounces any remaining eligibility in the sport; further, to specify that the limit of undergraduate student-assistant coaches in each sport shall be the same as the limit of countable coaches permitted in the sport. The cabinet recommended the sponsor modify the proposal to eliminate the concept of renouncing eligibility and specify that a student assistant coach is not restricted to serving as a student assistant coach within the five-year eligibility period (no other changes to Bylaw 11.01.4). The cabinet expressed concerns related to the concept of student-athletes renouncing their eligibility, noting that this practice could be used to "run off" underperforming student-athletes. The cabinet's recommendation is intended to maintain the majority of the current rule but allow individuals to return to school after a period of time away. Thus, a student assistant coach may be a graduate student and could serve in such capacity outside of his or her five-year eligibility clock. The cabinet noted such student-coaches remain eligible to receive institutional financial aid beyond the five-year eligibility clock based on Bylaw 15.01.5 which specifies that such students may receive earned athletics aid. Finally, the cabinet noted this modification may still encourage student-athletes who depart their institution prior to graduating to return and finish their baccalaureate degrees, allowing institutions to earn additional NCAA Division I Academic Progress Rate points.
- (2) Proposal No. 2009-28 -- Recruiting -- Contacts and Evaluations -- Telephone Calls -- Official and Unofficial Visits -- Offers of Financial Aid -- Tryouts -- Women's Soccer. The cabinet took no position on Proposal

No. 2009-28 which would, in women's soccer, revise or establish restrictions related to contacts, telephone calls official and unofficial visits, offers of financial aid and involvement in nonscholastic-based soccer programs, as specified. The cabinet applauded the leadership displayed by the Southeastern Conference on this issue and supports the concept. However, the cabinet encourages the NCAA Division I Legislative Council to table the proposal until the NCAA Division I Recruiting and Athletics Personnel Issues Cabinet completes its review of early recruitment for potential solutions applicable to all sports.

- (3) Proposal No. 2009-29 -- Recruiting and Eligibility -- Four-Year Prospective Student-Athletes -- Permission to Contact and Transfer Release -- Response to Request and Hearing Opportunity. The cabinet agreed to oppose Proposal No. 2009-29 as written, which would specify that an institution shall grant or deny a request to permit another institution to contact a student-athlete about transferring or a request for release as a condition of the one-time transfer exception within seven calendar days of receipt of the request; further, to specify that if the request is denied, the institution shall conduct a hearing within fourteen calendar days of receipt of the student-athlete's written request and that the student-athlete shall be provided the opportunity to actively participate in the hearing. The cabinet recommends the sponsor modify the proposal to specify that an institution shall grant or deny a request to permit another institution to contact a student-athlete about transferring or a request for release as a condition of the one-time transfer exception within seven business days of receipt of the request; further, to specify that if the request is denied, the institution shall conduct a hearing and provide the student-athlete with a written response within 15 business days of receipt of the student-athlete's written request. The cabinet noted this part of the recommendation is the same as the recommendation made by the NCAA Division I Academic Cabinet. However, the cabinet expressed concern about regulating the method of interaction that must occur during the hearing. In the area of financial aid hearings, the cabinet has decided that the process by which interaction occurs during hearings should be left to institutional discretion and would recommend that same autonomy for transfer hearings.
- (4) Proposal No. 2009-47 -- Recruiting -- Letter of Intent Programs, Financial Aid Agreements -- Written Offer of Aid Before Signing Date -- Football. The cabinet took no position on Proposal No. 2009-47 which would, in football, specify that prior to August 1 of a prospective student-athlete's senior year in high school, an institution shall not provide a written offer

of athletically related financial aid or indicate in writing to the prospective student-athlete that an athletically related grant-in-aid will be offered by the institution. The cabinet applauded the leadership displayed by the Big East Conference on this issue and supports the concept. However, the cabinet recommended the Legislative Council table the proposal until the Recruiting and Athletics Personnel Issues Cabinet completes its review of early recruitment for potential solutions applicable to all sports.

- (5) Proposal No. 2009-48 -- Recruiting and Financial Aid -- Letter-of-Intent Programs, Financial Aid Agreements -- Letter of Intent Restriction -- Limitation on Number of Signings -- Bowl Subdivision Football. The cabinet agreed to support Proposal No. 2009-48 which would, in bowl subdivision football, specify that 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 National Letter of Intent through May 31. The cabinet agreed with the sponsor's rationale for the proposal.
- (6) Proposal No. 2009-66 -- Eligibility -- Transfer Regulations -- Four-Year College Transfers -- Competition or Receipt of Athletically Related Financial Aid in Year of Transfer -- Tennis. The cabinet agreed to oppose Proposal No. 2009-66 which would, in tennis, specify that a transfer student from a four-year institution who enrolls at the certifying institution as a full-time student after the conclusion of the first term of the academic year and qualifies for an exception to the one-year residence requirement shall not be eligible for competition until the following academic year if he or she has competed during the same academic year or received athletically related financial aid during the same academic year from the previous four-year institution. The cabinet expressed concern that the proposal is overly restrictive and noted that the current legislation for tennis student-athletes who transfer at midyear is appropriate.
- (7) Proposal No. 2009-67 -- Financial Aid -- Terms and Conditions of Awarding Institutional Financial Aid -- One-Year Period -- De Minimis Violation. The cabinet agreed to support Proposal No. 2009-67 which would specify that a violation of the financial aid regulations in which financial aid is awarded for less than one academic year shall be considered an institutional violation, but shall not affect the student-athlete's eligibility. The cabinet agreed with the sponsor's rationale for the proposal and recommended the proposal be considered noncontroversial legislation.

- (8) Proposal No. 2009-68 -- Financial Aid -- Midyear Replacement -- Graduation during Previous Year -- Women's Volleyball. The cabinet agreed to support Proposal No. 2009-68 which would, in women's volleyball, specify that the financial aid of a counter who graduates at midyear or who graduates during the previous academic year (including summer) may be provided to another student-athlete without making the second student-athlete a counter for the remainder of that academic year. The cabinet agreed with the sponsor's rationale.
- (9) Proposal No. 2009-69 -- Financial Aid -- Maximum Institutional Grant-in-Aid Limitations by Sport -- Equivalency Computations -- Exceptions -- Academic Honor Awards -- Transfer Students. The cabinet took no position on Proposal No. 2009-69 which would specify that institutional academic honor awards that are part of an institution's normal arrangements for academic scholarships, based solely on the recipient's cumulative academic record from all collegiate institutions previously attended and awarded independently of athletics interests and in amounts consistent with the pattern of all such awards made by the institution, may be exempted from a team's equivalency computation, provided the recipient achieved a cumulative transferable grade-point average of at least 3.300 (based on a maximum of 4.000). The cabinet recommended the Legislative Council table this proposal to provide time for the cabinet to incorporate this concept into its broader examination of the financial aid legislation, which includes a review of the criteria for these scholarships. It is anticipated that this review will be completed by June 2010.
- (10) Proposal No. 2009-71 -- Awards, Benefits and Expenses for Enrolled Student-Athletes -- Housing and Meals -- Permissible Preseason Practice Expenses -- De Minimis Violation. The cabinet agreed to support Proposal No. 2009-71 which would specify that an inadvertent violation of the preseason practice expenses legislation shall be considered an institutional violation, but shall not affect the student-athlete's eligibility. The cabinet agreed with the sponsor's rationale for the proposal and recommended the proposal be considered noncontroversial legislation.
- (11) Proposal No. 2009-72 -- Awards, Benefits and Expenses -- Expenses for Student-Athlete's Friends and Relatives -- Reasonable Refreshments. The cabinet agreed to support Proposal No. 2009-72, which would permit an institution to provide the family (e.g., parents or legal guardians, relatives) of a student-athlete with reasonable refreshments (e.g., soft drink, snacks)

in conjunction with educational meetings or celebratory events (e.g., senior night) and on an occasional basis for other reasons. The cabinet agreed with the sponsor's rationale for the proposal.

- (12) Proposal No. 2009-73 -- Awards, Benefits and Expenses -- Expenses Provided by the Institution for Practice and Competition -- Nonpermissible -- Lodging in Conjunction with a Regular-Season Home Contest. The cabinet agreed to support Proposal No. 2009-73 which would specify that an institution shall not provide lodging (e.g., hotel, motel, resort) to student-athletes in conjunction with a regular-season home contest, unless the competition site is located more than 25 miles from its campus. Some cabinet members noted concerns with the environment on campus during a Friday night before a home football contest; however, the majority of the cabinet members agreed with the sponsor's rationale for the proposal.
- (13) Proposal No. 2009-74 -- Awards, Benefits and Expenses -- Benefits, Gifts and Services -- Occasional Meals -- Location of Meal Provided by Representative of Athletics Interests. The cabinet agreed to oppose Proposal No. 2009-74, which would permit a representative of the institution's athletics interests to provide an occasional meal to a student-athlete or the entire team in a sport on campus or in a facility that is regularly used for home competition. The cabinet expressed concerns regarding monitoring such meals on campus (e.g., tailgate sites) and noted the current legislation provides adequate safeguards against abuse.

c. Other Legislative Comments.

- None.

2. Nonlegislative Informational Items.

- a. 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. Since the June 2009 meeting, the staff has obtained a contact with National Association of Student Financial Aid Administrators (NASFAA) and will begin efforts to communicate NCAA financial aid issues to the financial aid community (e.g., NASFAA quarterly magazine). The cabinet will continue to receive updates on the staff's progress with these initiatives during future meetings.

- b. Best Practices for Conducting Financial Aid Hearing Opportunities.** The cabinet received an update from the staff on the best practices document related to the application of the financial aid hearing opportunity legislation and the renewal/nonrenewal process. Specifically, this document is now posted on the NCAA Web site and is available for the membership to use as a resource. The cabinet will regularly review and update this resource as necessary at future meetings.
- c. Items Submitted by Cabinet Members.** The cabinet discussed the following items that were submitted by cabinet members:
- (1) Oversigning of Prospective Student-Athletes. The cabinet engaged in a discussion of the issue of oversigning prospective student-athletes and the concern that some prospective student-athletes are being directed by institutions to pursue other options based on the institution signing more prospective student-athletes to grant-in-aid agreements than the team has room to include within its financial aid limits for the upcoming academic year. The cabinet recommended that conference offices collect information on the signing practices of its institutions by identifying the number of prospects signed beyond the available athletics aid and the number of signees who do not enroll and the reason(s) for not enrolling. The cabinet is interested in reviewing such information if, over the course of the next several National Letter of Intent signing periods, there appears to be a student-athlete well-being issue due to oversigning practices. Thus, conference offices are encouraged to bring the issue to the cabinet's attention for future discussion if the information indicates there is an issue.
 - (2) Eligibility for Financial Aid for Student-Athletes who have Exhausted Eligibility. The cabinet reviewed current NCAA rules on eligibility for institutional financial aid (e.g., athletics financial aid) and how those rules impact a student-athlete who has exhausted eligibility but returned to complete additional credit hours required to receive their degree. Specifically, the cabinet discussed a situation involving an exhausted eligibility student-athlete who needs to complete fewer than 12 credit hours to graduate with his or her degree, but the institution does not offer the necessary credit hours during the fall term; thus, the student-athlete must enroll during both the fall and spring terms in order to graduate. Under the current legislation, it is permissible for an institution to award

institutional financial aid to a student-athlete who has exhausted eligibility 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. In the scenario raised by the cabinet member, since the student-athlete will not be carrying for credit the courses necessary for graduation during the fall term, the student-athlete would be required to enroll initially as a full-time student during the fall term in order to receive institutional financial aid. The cabinet agreed to defer further discussion of this issue until its February 2010 meeting.

- (3) 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. 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 their parents or legal guardians. Some cabinet members expressed concern that coaches of equivalency sports may decide to award such student-athletes less athletics aid, or not award such student-athletes any athletics aid, because the student-athlete's lower room and board figure results in the student-athlete's equivalency being higher than that of another student-athlete who resides off campus, even if the two student-athletes are provided identical awards of athletics aid (e.g., tuition). The cabinet agreed to defer further discussion of this issue until its February 2010 meeting.
- (4) Follow-up from June Discussion on Atlantic Coast Conference Items. The cabinet learned that the Atlantic Coast Conference continues to discuss potential legislative changes related to maximum board plans and to the \$400 value assigned to books for equivalency computations.

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