

**NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet**

**Value of Full Grant-in-Aid Used for Student-Athletes Living at Home  
Submitted by Betsy Mosher, Fresno State University**

**Issue:**

Whether, as part of a future agenda, the cabinet wishes to examine the effect the full grant-in-aid value used for student-athletes living at home has on student-athletes and team equivalencies.

Alternatively, whether the cabinet wishes to recommend that the NCAA Division I Legislative Review and Interpretations Committee incorporate official interpretation [Reference: 8/2/07, Item No. 2] into the NCAA Division I Manual.

**Background:**

See attachment.

**History:**

On August 2, 2007, the Division I Legislative Review and Interpretations Committee confirmed that if a student-athlete resides with his or her parents or legal guardians, the institution may only award the room and/or board figures specifically established for a student who resides with his or her parents or legal guardians as mandated by federal financial aid guidelines or institutional policy. The committee's confirmation is consistent with a staff confirmation [Reference: 3/6/02 Item No. a] that required institutions to award the room figure specifically established for a student residing with his or her parent(s) or legal guardian as mandated by federal financial aid guidelines or institutional policy.

The staff confirmation, which was archived when the committee issued the official interpretation [Reference: 8/2/07, Item No. 2], archived staff interpretation [Reference: 6/2/89 Item No. k] when it was issued. The staff interpretation [Reference: 6/2/89, Item No. k] specified that a member institution that published a separate room and board figure for students who live off campus in their parents' homes may award student-athletes financial aid equal only to that published figure for their living situation and, therefore, could not award student-athletes who lived off-campus with their parents room and board equal to the published on-campus or off-campus (not living with parents) room and board figures. The staff interpretation [Reference: 3/6/02, Item No. a] clarified that if an institution's policies did not establish a room and board figure for students living with their parents, then the institution was expected to use the rate mandated by federal financial aid policy. This clarification remained in place when the official interpretation [Reference: 8/2/07, Item No. 2] was issued.

### **Legislation and Interpretations:**

#### **Bylaw 15.2.2 - Room and Board.**

An institution may provide a student-athlete financial aid that includes the cost of room and board, based on the official allowance for a room as listed in the institution's official publication (e.g., catalog) and a board allowance that consists of three meals per day, even if the institution's maximum permissible award allowance for all students represents a lesser cost figure. *(Revised: 10/28/99 effective 8/1/00)*

#### **Bylaw 15.2.2.1 - Off-Campus Room and Board Stipend.**

If a student-athlete lives and eats in noninstitutional facilities, the institution may provide the student-athlete an amount equal to the institution's official on-campus room allowance as listed in its catalog, the average of the room costs of all of its students living on campus or the cost of room as calculated based on its policies and procedures for calculating the cost of attendance for all students. The institution also may provide the student-athlete an amount that is equivalent to an on-campus 7-day or 21-meal board plan or the cost of meals as calculated based on its policies and procedures for calculating the cost of attendance for all students, excluding those meals provided as part of the training table. Meals provided on the training table shall be deducted at the regular cost figure from such a student-athlete's board allowance. *(Revised: 1/10/92, 11/12/97, 10/28/99 effective 8/1/00, 4/27/06 effective 8/1/06)*

#### **Bylaw 15.2.2.1.1 - Determination of Off-Campus Room Rates.**

An institution with several official on-campus room rates listed in its catalog may use the average of the room cost for all students living on campus (based on a weighted average for all students who reside in on-campus facilities) or the cost of room as calculated based on its policies and procedures for calculating the cost of attendance for all students. *(Revised: 11/12/97, 4/27/06 effective 8/1/06)*

#### **Bylaw 15.2.2.1.2 - Determination of Off-Campus Board Costs.**

An institution with several on-campus board plans (e.g., 5-day, 7-day, 14-meal, 17-meal or 21-meal plans) may provide a student-athlete living in noninstitutional facilities with the equivalent of a 7-day or 21-meal plan at that institution or the cost of meals as calculated based on its policies and procedures for calculating the cost of attendance for all students. *(Adopted: 1/10/92, Revised: 11/12/97, 10/28/99 effective 8/1/00, 4/27/06 effective 8/1/06)*

#### **Bylaw 15.2.2.1.3 - Institution with No On-Campus Room and Board Facilities.**

If an institution does not provide an official dollar amount for room and board in its catalog and does not have on-campus student room and board facilities, the figure provided to student-athletes for off-campus student room and board shall be the amount determined by the institution's office of financial aid as being commensurate with the average cost a student at that institution normally would incur living and eating in off-campus facilities. *(Adopted: 11/12/97)*

**Bylaw 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:

- (a) Once a student becomes a counter, the institution shall count all institutional aid (per Bylaw 15.02.4.1) received for room, board, tuition and fees, and books up to the value of a full grant-in-aid. Exempted government grants per Bylaw 15.2.5 and exempted institutional aid per Bylaw 15.02.4.3 specifically are excluded from this computation. *(Revised: 1/9/96 effective 8/1/96, 4/29/04 effective 8/1/04, 10/20/08)*
- (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)*
- (c) The sum of all fractional and maximum awards received by counters shall not exceed the total limit for the sport in question for the academic year as a whole.

**Room and Board Stipend for Student-Athlete Residing with Parents or Legal Guardians (I)**

Date Published: August 2, 2007

Type: Official Interpretation

Item No. 2

The committee confirmed that if a student-athlete resides with his or her parents or legal guardians, the institution may only award the room and/or board figures specifically established for a student who resides with his or her parents or legal guardians as mandated by federal financial aid guidelines or institutional policy.

[References: NCAA Bylaws 15.2.2 (room and board) and 15.2.2.1 (off-campus room and board stipend)]

**Room Stipend for Student-Athlete Residing with Parents (I/II)**

Date Published: March 6, 2002

Type: Staff Interpretation

Item No. a

Archived Interpretation

Archive Info: Due to official interpretation [Reference: 8/2/07, Item No. 2]

The membership services staff confirmed that when a student-athlete resides with his or her parent (or legal guardian) the institution may only award the room figure specifically established for a student residing with his or her parent(s) (or legal guardian) as mandated by federal financial aid guidelines or institutional policy.

[References: Bylaws 15.2.2 (room and board) and 15.2.2.1 (off-campus room and board stipend)] [Please note that this interpretation replaces staff interpretation (06/02/89, Item No. k), which has been archived]

**Room and board stipend equal to official room and board allowance for living situation**

Date Published: June 2, 1989

Type: Staff Interpretation

Item Ref: k

Archived Interpretation

Archive Info: Due to staff interpretation [Reference: 3/6/02, Item a]

Reviewed Bylaw 15.2.2.1 (off-campus room and board stipend) in regard to a member institution that publishes in its catalog a separate room and board figure for students who live off campus in their parents' homes; confirmed that the institution may award student-athletes financial aid equal only to the published figure for their living situation; thus, the institution may not award student-athletes living off campus with their parents room and board equal to the published on-campus or off-campus (not living with parents) room and board figures.

**Excerpt from the September 2009 NCAA Division I Awards, Benefits, Expenses and Financial Aid Report:**

- (1) Full Grant-in-Aid Limit for Student-Athletes Who Live at Home. The cabinet reviewed the current application of financial aid rules and interpretations as they relate to student-athletes who live at home during the academic year. 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.

8/09 BJM

Questions regarding requirement to calculate a Full-Ride-Equivalency (FRE) figure for scholarship student-athletes who live at home.

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In calculating team and individual limits for NCAA financial aid purposes an institution calculates an amount for Tuition and Fees, Room and Board and Books. This constitutes an NCAA Full Ride Equivalency (100%). There may be several FREs established at an institution when considering out-of-state student-athletes, athletes in dormitories, athletes in off-campus housing, at-home student-athletes, etc. Often the categories are driven by the institution's categories for cost-of-attendance calculations. NCAA guidance allows for average FREs to be established in the categories in order to compute the NCAA financial aid limitations for individual and team limits.

The FRE values are used in the denominator for equivalency sports to determine what percentage of the permissible FRE the student-athlete is receiving and thus what percentage will be counted in the team limit.

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Some institutions calculate a Cost of Attendance for a student who commutes to classes from home. Similarly NCAA interpretation indicates that if a student-athlete commutes from home, room and board costs must be reduced in calculating the Full Ride Equivalency for that student-athlete.

Although we understand that an athletics scholarship can never exceed the institution's cost of attendance for that student, the application of this at-home formula to partial scholarships (equivalency sports) seems to have a disparate impact on the student-athlete and the sport program.

Example:

**At X University, in-state tuition and fees is approximately 33% of an in-state FRE**

*\$ for in-state tuition*

----- = 33%

*\$for in-state tuition, fees, room, board and books*

**At X University, in-state tuition and fees is approximately 50% of an at-home FRE**

*\$ for in-state tuition and books*

----- = 50%

*\$ for in-state tuition, fees, books and reduced room and board cost*

***Student-athletes receiving the same \$ benefit for tuition and books are charged over a 15%(50%-33%) difference to the team limit.***

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Issues:

- Difficulty in assessing whether student-athlete is at-home or in off-campus apartment
- Difficulty in changing equivalency percentage if student-athlete moves home mid-year(team limit)
- Commute expenses are often higher for those living at home, however this cannot be considered in the present FRE calculation
- Student-athletes are often on-campus the entire day and into the evening (study-hall, practice, etc) therefore meal costs are usually not much different than those living off-campus in an apartment or in a dormitory.
- Some parents charge rent to their at-home children.
- Some coaches with tight parameters on team limits....may have to offer at-home student-athlete less due to equivalency count....
- Since this information is not detailed in the NCAA manual....many institutions continue with the in-state..out of state.....delineations...and do not process a different denominator for at-home SA.

Suggestions:

- Perhaps permit any amount up through tuition and fees to be calculated as an equivalency with an in-state denominator..switch to at-home denominator only if room or board is impacted.
- Allow institutions to use in-state denominator for at-home student-athletes provided awards (tuition, fees, room, board and books) are based on at-home rate. (full FRE would be less than 1.0 equivalency)
- Calculate at-home Student-Athletes as in-state and reduce only if award exceeds COA for at-home students at the institution.
- Add language to manual to clarify the need to use a different denominator for at-home student-athletes.