

**REPORT OF THE  
NCAA DIVISION I AWARDS, BENEFITS, EXPENSES AND FINANCIAL AID  
CABINET  
JUNE 21, 2011, MEETING**

**KEY ITEMS.**

1. **Examination of Maximum Grant-in-Aid Limitations/Equivalency Versus Head Count Designations.** The NCAA Division I Awards, Benefits, Expenses and Financial Aid Cabinet reviewed information that included an overview of statistical data provided by the NCAA research staff related to Division I current participation numbers, current trends in awarding aid and total number of student-athletes participating who do not receive athletics aid. The cabinet also examined concepts that could affect administration of team financial aid limits. Following the review, the cabinet agreed its members will solicit feedback from their campuses and conferences on whether current designations (head count or equivalency) and team financial aid limits are appropriate. The cabinet members will also 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. Additionally, the cabinet charged the staff with collecting additional statistical information, including information related to participation numbers based on race/ethnicity, numbers of student-athletes who participate without receiving athletics aid and high school participation numbers. The cabinet will review the information and feedback at its September meeting.
  
2. **Review of Equivalency Computation Method.** 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 Division I and Division II, including information submitted by a cabinet member. The cabinet 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. [See Legislative Informational Item No. 1]
  
3. **Identification of Future Agenda Items and Determination of Priorities.** The cabinet identified the following priorities for review, noting that data collection may be necessary to fully examine these issues:
  - (a) Examination of maximum grant-in-aid limitations.
    - i. Team; and
    - ii. Equivalency versus head count designations.

- (b) Educational outreach to financial aid administrators.
- (c) Methods for calculating equivalency computations.
- (d) Time period for providing expenses using the departure/return expense legislation.

**ACTION ITEMS.**

**1. Legislative Items.**

- None.

**2. Nonlegislative Items.**

- None.

**INFORMATIONAL ITEMS.**

**1. Legislative Items.**

- **Bylaw 15.5.3.2 (Equivalency Computations).**
  - (1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to specify 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 when calculating equivalencies.
  - (2) Effective Date. August 1, 2012.
  - (3) Rationale. This proposal would allow an institution the flexibility to award equivalencies to the maximum benefit of its student-athletes. Currently, the legislation allows use of one calculation method (actual or average) in the numerator and the other method in the denominator only when awarding a lump sum amount and then, only if the institution does not have a policy requiring payment in a specific order (e.g., hierarchy of elements). This can create a competitive advantage based solely on an institution's accounting practices. This proposal allows all institutions the flexibility to use the

actual or average amount in the numerator and denominator regardless of institutional policies and regardless of how the institution awards aid (element, percentage, lump sum).

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

## 2. Nonlegislative Items.

- a. **Review of the 2010 Growth, Opportunities, Aspirations and Learning of Students in College Study.** The cabinet received a summary of the 2010 Growth, Opportunities, Aspirations and Learning of Students in College Study. The cabinet was provided a summary of study information that relates to the cabinet's areas of responsibility and was encouraged to provide feedback to the NCAA Research staff on items of interest to the cabinet that could be included in future surveys.
- b. **Outreach to Financial Aid Community.** The cabinet received an update from the staff related to outreach efforts (e.g., communication, education) to the financial aid community, informing them that a cabinet liaison will present an overview of the NCAA Division I governance structure, the role of the cabinet within that structure, a review of the cabinet's recent work related to Bylaw 15 and suggestions for being aware of, and involved in discussions of changes to NCAA financial aid legislation to attendees at the July National Association of Student Financial Aid Administrators Convention.
- c. **Discussion of Electronic Authorizations.** The cabinet discussed whether to recommend revising current financial aid legislation to permit electronic authorizations (e.g., electronic signatures) to substitute for signatures. The cabinet agreed to recommend that the following bylaws be amended to reflect that electronic authorizations (e.g., electronic signatures) may substitute for a signature: Bylaws 15.3.4.2.3, 15.3.4.2.5, 15.3.4.3.2, 15.5.1.10.1 and 15.5.6.4.1.
- d. **Update on NCAA Academic and Membership Affairs Business Practices.** The cabinet received an update on the academic and membership affairs business practices review currently occurring at the National Office. Staff noted the review is an effort to examine current business practices and determine how these practices can be streamlined to increase efficiencies while concentrating on student-athlete well-being.

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