NCAA: An Update on Division I Financial Aid Regulations

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Overview

• New NCAA Division I Governance Structure.

• Autonomy Legislation Related to Financial Aid.

• Discussion and Questions.

New NCAA Division I Governance Structure
New NCAA Division I Governance Structure

- Adopted October 2014.
- More transparent, participative and streamlined.
- More responsive to membership needs, particularly to those of student-athletes.

New NCAA Division I Governance Structure

- Recognizes membership diversity.
- Recognizes need for autonomy in terms of governance and legislative actions in certain areas while maintaining overarching values of higher education.

New NCAA Division I Governance Structure

- Board of Directors.
  - Overall governing body for Division I.
- 24 members.
  - 20 chancellors or presidents.
  - One director of athletics, one senior woman athletics representative, one faculty athletics representative and the chair of the Student-Athlete Advisory Committee.
New NCAA Division I Governance Structure

- Responsible for:
  - Strategy;
  - Policy;
  - Legislative oversight; and
  - Management oversight.

New NCAA Division I Governance Structure

- Division I Council.
  - Primary legislative authority for the division.

New NCAA Division I Governance Structure

- 40 members.
  - 32 athletics administrators (e.g., athletics directors, senior woman administrators, conference administrators, compliance administrators and other senior level administrators), with athletics directors comprising at least 60 percent of this group.
  - Four conference commissioners.
  - Two faculty athletics representatives.
  - Two members of the Student-Athlete Advisory Committee.
## New NCAA Division I Governance Structure

### Area of Autonomy.

- Legislative provision providing legislative flexibility to the Atlantic Coast Conference, Big Ten Conference, Big 12 Conference, Pac-12 Conference and Southeastern Conference and their member institutions.

- Granted to permit use of resources to advance legitimate educational or athletics-related needs of student-athletes and for legislative changes that enhance student-athlete well-being.

### New NCAA Division I Governance Structure

- Areas of autonomy.
  - Athletics personnel.
  - Insurance and career transition.
  - Promotional activities unrelated to athletics participation.
  - Recruiting restrictions.
    - Legislation to reduce infringement on a prospective student-athlete's academic preparation.
New NCAA Division I Governance Structure

Areas of Autonomy.

- Pre-enrollment Expenses and Support.
  - Legislation related to expenses and support provided in the recruiting process and the transition to college enrollment, including assistance to families to visit campus, medical expenses and academic support during the summer prior to enrollment and transportation to enroll.
- Academic Support.

Areas of Autonomy (continued).

- Health and Wellness.
- Meals and Nutrition.
- Time Demands.
  - Legislation that establishes an appropriate balance between athletics and other student-athlete activities and fosters participation in educational opportunities outside of intercollegiate athletics.

Areas of Autonomy (continued).

- Awards, Benefits and Expenses.
- Financial Aid.
  - Student-athlete's individual limit on athletically related financial aid;
  - Terms and conditions of awarding institutional financial aid; and
  - Eligibility of former student-athletes to receive undergraduate financial aid.
Autonomy Legislation – Application to Other Conferences

• Institutions in conferences other than the five autonomy conferences have discretion to determine whether to apply autonomy legislation.

• Subject to conference discretion, may be applied on a sport-by-sport, team-by-team and/or student-athlete by student-athlete basis.

Autonomy Legislation – Application to Other Conferences

• Examples:
  o Apply to basketball, but not to any other sports.
  o Apply to women’s soccer, but not to men’s soccer.
  o Apply to incoming women’s soccer student-athletes, but not to continuing women’s soccer student-athletes.

Autonomy Legislation Related To Financial Aid
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- **Intent:** To specify that a full grant-in-aid is financial aid that consists of tuition and fees, room and board, books and other expenses related to attendance at the institution up to the cost of attendance.

- **Effective Date:** August 1, 2015; awards may be executed before August 1, 2015.

Autonomy Legislation Related to Financial Aid

- NCAA Bylaw No. 15.02.5 Full Grant-in-Aid. [A] A full grant-in-aid is financial aid that consists of tuition and fees, room and board, and required course-related books and other expenses related to attendance at the institution up to the cost of attendance established pursuant to Bylaws 15.02.2 and 15.02.2.1.

- New definition applies to all institutions.

Autonomy Legislation Related to Financial Aid

- For equivalency computations, institutions in conferences other than the autonomy conferences may choose from two methods for determining the denominator.
  - Full grant-in-aid as defined in new Bylaw 15.02.5, or
  - Full grant-in-aid as previously defined (tuition and fees, room and board and required course-related books).
Individual Limit

Autonomous: NCAA Constitution 5.1.2.2.20
NCAA Bylaw 15.1.1.1

Team Limits (Equivalency Sports)

Who counts?

Autonomous: NCAA Constitution
5.3.2.1.2(f)
NCAA Bylaw 15.1

Shared Governance: NCAA Bylaws 15.5.1, 15.5.3.1, 15.5.3.2

Student-athlete (SA) who receives financial aid, based on any degree of athletic ability, triggers being a counter and the student-athlete’s countable aid counts against the established team limits.

[example: 1 SA* (50% athletically related aid) = 0.5 counter]

Modification to the denominator:

OLD FRACTION

NEW FRACTION

Numerator:
Athletics Aid Received
Athletics Aid Received

Total Cost

Denominator:
Full Grant in Aid (FGA)
(tuition and fees; room and board; required course-related books)

New FGA = Cost of Attendance (COA)
(tuition and fees; room and board; books; other expenses related to attendance, up to cost of attendance).

OLD EQUIVALENCY

NEW EQUIVALENCY

Numerator:
$25,000 = 50%
$25,000 = 45%

Denominator:
$50,000 (FGA)
$55,000 (COA)

Example: Impact to the denominator and equivalency for 50% equivalency:

When calculating equivalencies:

• Required for autonomy conferences.
• Option for non-autonomy conferences, subject to conference discretion.

Autonomy Legislation Related to Financial Aid

• Proposal No. 2014-14
• Intent: If a student-athlete receives athletically-related financial aid in the academic year of his or her initial full-time enrollment at the certifying institution, athletics ability, performance or contribution to a team's success, an injury, illness or physical or mental medical condition; or any other athletics reason shall not be considered in the reduction or nonrenewal of athletically related financial aid for the following academic year or years of the student-athlete's five-year period of eligibility.
Autonomy Legislation Related to Financial Aid

- **Effective Date**: August 1, 2015; applicable to new awards of athletically-related financial aid by which the aid is provided during the 2015-16 academic year and thereafter.

Discussion and Questions