

MINUTES OF THE
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
DIVISION III FINANCIAL AID COMMITTEE

Teleconference

May 31, 2006

Participants:

Patricia Blodgett, Keene State College
Paul Boyer, Williams College
David Ellis, Newbury College
Travis Feezell, Macalester College
Dennis Hefner, State University College at Fredonia
Sara Beth Holman, Lawrence University
Kevin McHugh, The College of New Jersey
Debra Murphy, Nichols College
Dan Preston, Linfield College, chair
Garnett Purnell, Wittenberg University
Ellen Shilkret, Vassar College
Richard Woodland, Rutgers, The State University of New Jersey, Camden
Matthew Banker, NCAA, recording secretary
Jack Copeland, NCAA
Eric Hartung, NCAA
Ann Kearns, NCAA

Mr. Hefner, Mr. Preston and Ms. Shilkret were able to participate in approximately the first 75 minutes of this teleconference.

Bridget Belgiovine, NCAA, Dan Dutcher, NCAA, Jennifer Kearns, NCAA, Charnele Kennedy, NCAA were unavailable to participate on this teleconference.

[Note: These minutes contain only actions taken (formal votes or stated "sense of the meeting") in accordance with NCAA policy regarding minutes of all Association entities. While certain items on the committee's agenda were acted on at various times throughout the meeting, all final actions within a given topic are combined in these minutes for convenience of reference.]

Wednesday May 31, 2006

The meeting was called to order at 12:07 p.m. Eastern time by the chair, Mr. Preston.

NCAA Division III Financial Aid

Committee Minutes

May 31, 2006

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1. Welcome and Announcements. Mr. Preston welcomed the NCAA Division III Financial Aid Committee members to the teleconference. Mr. Preston specifically welcomed Mr. Feezell and Ms. Holman to their first committee teleconference. Mr. Feezell and Ms. Holman introduced themselves and expressed their excitement and interest in serving on the committee.

2. Committee Roster. The committee referred to the 2006 Division III Financial Aid Committee roster as an informational item and noted the two new committee members. Ms. Holman confirmed her correct office phone number for the roster. NCAA staff confirmed the roster will be updated accordingly.

3. Minutes from the April 13 Teleconference. The committee referred to the draft of the April 13 teleconference minutes. The committee reviewed the draft and took the following action:

It was VOTED:

"That the April 13 teleconference minutes be adopted."

4. Financial Aid Data Management System (FADMS) User's Manual Update. NCAA staff noted changes to the user's manual, specifically identifying the section on annualizing the financial aid data for students who only attend a portion of the academic year. The committee noted this policy will provide balance of efficiency and effectiveness without burdening institutions. NCAA staff noted the user's manual is available for all Division III institutions to retrieve from the FADMS or at the Financial Aid Committee's Web page.

5. Follow-Up Correspondence Regarding Financial Aid Reporting Process and Legislation. The committee reviewed the correspondence from an anonymous third-party and the NCAA's response. The committee noted that it has no reliable information regarding the anonymous third-party and that any continued correspondence should cease until the individual identifies their background. The committee concurred that referring the anonymous writer to the NCAA public and media relations staff was the appropriate response at this time.

6. College Conference of Illinois & Wisconsin (CCIW) Correspondence. The committee reviewed the inquiry from the chief executive officers of the CCIW addressing concerns about disaggregating freshmen and transfers in the review process, ensuring anonymity and confidentiality throughout the entire review process, and requiring institutions to submit student academic information at the beginning of each reporting process cycle. The committee concurred the response draft was appropriate and captured the committee's position and history in analyzing the various issues since the inception of the Division III Financial Aid Task Force.
7. Athletics Endowment Memorandum. The committee reviewed the athletics endowment memorandum and inquired with staff as to the Division III membership's response. NCAA staff confirmed that several institutions have called the NCAA staff to discuss ways in which current athletics endowments that were "grandfathered" in prior to January 1, 1979, may be adjusted to satisfy the financial aid legislation. NCAA staff also confirmed that since the memorandum was disseminated, a few institutions have inquired about confirming how new endowments could be structured to ensure there is no athletics nexus.
8. Feedback for NCAA Division III Interpretations and Legislation Committee's Review of NCAA Division III Bylaw 15.4.1.1 (annual electronic report). The committee reviewed Bylaw 15.4.1.1 and the meaning of the word "format" as it relates to the reporting process and findings of secondary violations. NCAA staff noted that NCAA staff cited institutions in the 2005-06 reporting cycle for violating Bylaw 15.4.1.1 when the committee determined that an institution did not provide an adequate written justification during its Level II review. NCAA staff noted that Bylaw 15.4.1.1 primarily encompasses the legislative requirement to submit complete and correct financial aid data on time and that the word "format" remained ambiguous to institutions cited in violation of the bylaw as to its scope. The committee noted that Bylaw 15.4.1 (consistent financial aid package) addresses the substantive Division III financial aid requirements of providing consistent financial aid packaging and to not consider athletics ability in the awarding of financial aid. The committee decided to table any legislative amendment to expand the language in Bylaw 15.4.1.1. The committee noted it may revisit the intersection of the Division III financial aid legislation and cited violations coming out of the 2006-07 reporting cycle if necessary. No action taken.
9. Update on Institutions that Provided Mitigating Information to NCAA Enforcement Staff as Part of Enforcement Referral. NCAA staff advised the committee that four of the 25 institutions originally forwarded to NCAA enforcement staff were cleared of any violations of financial aid legislation on the review of additional information. NCAA staff noted the

remaining 21 institutions were currently working with NCAA enforcement staff to fulfill their prescribed penalties which include corrective action to specified financial aid policies and procedures, attendance at a Division III financial aid educational session and completion of an online Division III financial aid exam.

10. Communications to Division III Membership and Third-Party Constituents Regarding the Results of the 2005-06 Reporting Process. The committee noted the various communications issued by the NCAA staff on behalf of the committee covering the aggregate results and general findings after the 2005-06 reporting cycle. NCAA staff noted the additional coverage from the New York Times and the upcoming educational sessions which include committee participation. NCAA staff requested that any committee member interested in co-presenting with the NCAA staff at the National Association for College Admissions Counseling (NACAC) convention in Pittsburgh this October should e-mail NCAA staff with his or her interest.
11. Requesting Additional Information and/or Academic or Financial Aid Data. NCAA staff presented a template the committee can use when requesting justifications from institutions in the Level II review to ensure a consistent and thorough solicitation of information. The committee reviewed the document and discussed whether it could tailor the committee's request by institution and use portions of the guide's questions to request information from institutions. The committee suggested the final version of the guide be posted on the NCAA's Web site so all institutions could access the guide and better understand the types of information the committee generally requests from them. The committee also concurred the guide should include introductory language that emphasizes the consistent input of the president or chancellor and other key representatives of the institution that serve in leadership roles in the area of student-financial aid to avoid rotation of individuals responding to the committee's requests. The committee further suggested the introductory language include a summary highlighting the most common causes for an institution's variance to rise above the four-percent threshold. The committee requested staff present an updated version of the template for committee review at its October teleconference. The committee offered to work with staff on this updated version.
12. Random Selection of Institutions Below the Four-Percent Variance Threshold for 2006-07 Reporting Year. NCAA staff discussed additional options for identifying institutions for a Level I review during the upcoming reporting cycle. NCAA staff reminded the committee that it has always maintained the authority to review any institution's final detailed report in the Level I review, regardless of its variance. NCAA staff identified three methods by which the committee may identify additional institutions for a Level I review who are below the four-percent variance threshold. These methods include identifying statistical

outliers on: 1) the difference in the proportion of financial need met by institutional gift aid between student-athletes and other students; 2) the outcome of the proportionality test that assesses the relationship between student-athletes in the cohort and the institutional gift aid awarded to them; and 3) the difference in the proportion of financial need met by institutional gift aid between sport groups and other students. NCAA staff noted these values are currently captured in Tables 3, 5, and 7 in each institution's final detailed report. The committee concurred with the need to review institutions identified as statistical outliers since these values may indicate advantages to student-athletes in the awarding of financial aid where the overall variance estimate is below four percent. The committee took the following action:

It was VOTED:

"To endorse the use of additional review filters in selecting institutions with a financial aid variance below four percent for a full Level I review in future financial-aid reporting cycles."

13. Financial Aid Reporting Process Procedural Flowchart. The committee reviewed the financial aid reporting process procedural flowchart. NCAA staff noted the flowchart has been updated to include 2006-07 dates based on the earlier date of Level I in-person committee meeting. The committee accepted the information.
14. Future Meetings and Teleconferences. NCAA staff noted the current meeting and teleconference schedule and advised the committee that information on reserving flights and hotel rooms for the November in-person meeting in Savannah, Georgia will be e-mailed to the committee next week by NCAA staff. NCAA staff also noted the February 2007 in-person meeting in Indianapolis is tentatively set for February 15-16 and an update on that in-person meeting will also be e-mailed to the committee next week.
15. Adjournment. The committee moved to adjourn the teleconference at 1:48 p.m. Eastern time.

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