

**REPORT OF THE
NCAA DIVISION III FINANCIAL AID COMMITTEE**

ACTION ITEMS.

1. Legislative Action Items.

- a. Noncontroversial Legislation – Division III Bylaw 15.2.3.6 (educational expenses – U.S. Olympic Committee).
- (1) Recommendation. Sponsor noncontroversial legislation for the 2008 Convention cycle to amend Bylaw 15.2.3.6 (Educational Expenses - U.S. Olympic Committee) to permit a national governing body to provide educational expenses to student-athletes per specified criteria.
 - (2) Effective date. Immediate.
 - (3) Rationale. The United States Olympic Committee (USOC) is currently permitted to provide educational expenses to student-athletes. This exception for the USOC was premised on providing an alternative source of financial aid for student-athletes and to demonstrate the goodwill between the USOC and NCAA in reaching its collective goal of encouraging athletes to further their formal education in preparation for a worthwhile career upon retirement from competitive athletics. National governing bodies are in a position similar to the USOC in terms of amateur athletics hierarchy and should be permitted to provide educational expenses under a similar exception.
 - (4) Estimated Budget Impact. Possible reduction in institutional gift aid awarded to student-athletes.
 - (5) Student-Athlete Impact. Additional financial-aid resource for student-athletes.

2. Nonlegislative Action Items.

- None.

INFORMATIONAL ITEMS.

- a. **2006-07 Division III Financial Aid Reporting Process.** The committee noted that the committee will review approximately 115 institutions during the Level I review process. The committee also discussed the impact of the three new filters on the management of

the reporting process, noting that of the three new filters implemented for this year's reporting process, the filter comparing sports teams need levels met by institutional gift aid produced the most Level I reviews. The committee reviewed and endorsed a written justification template form that will be made available to institutions moved into the Level II review process to ensure a consistent solicitation of information by all schools required to submit written justifications. The committee will consider posting a sample Level II response for institutions to reference as they prepare their Level II written justifications.

- b. Impact of early admissions, early decisions and slotting on financial-aid packaging at Division III institutions.** The committee discussed the impact of early admissions and slotting of student-athletes in admissions and its potential impact on financial aid packaging at Division III institutions. The committee agreed that admissions criteria, including slotting prospective student-athletes into early admissions spaces, are permissible under Division III legislation and that early admissions, early decisions and slotting of student-athletes during the admissions process is not necessarily providing an advantage for student-athletes' financial aid packages. The committee noted that any institution that is advantaging a student-athlete in terms of financial aid packaging through the admissions process can be detected during the review process.
- c. Division III financial-aid education sessions and outreach to third-party associations.** The committee reviewed the educational outreach efforts by NCAA staff and committee members regarding Division financial aid legislation and the reporting process. The committee noted the importance of continued outreach and communication to the communities' financial-aid administrators, admissions officers, and other third-parties impacted by the financial aid reporting process. The committee noted the importance of continued communication with the Division III membership, including the 2007 NCAA Convention session on the financial aid reporting process to be held the morning of the Division III business session.
- d. Considering leadership experience in athletics activities for purposes of financial aid packaging.** The committee discussed the perceived inequity in how student-athletes' athletics leadership experience and credentials may not be considered when packaging financial aid for student-athletes, while the athletics leadership experiences and credentials of non-student-athletes may be considered. The committee recognized that student-athletes are treated differently for financial aid packaging purposes and that this is a benchmark of Division III and its philosophy on financial aid packaging. The committee also confirmed that athletics leadership experiences and other athletics considerations of student-athletes may be considered for admissions purposes.

The committee also noted that a significant loophole would exist if athletics leadership could be considered by institutions when packaging financial aid of student-athletes because institutions could package as much aid as they want based on athletics considerations and justify it by saying it was done under the name of leadership experience. The committee recognized that different standards do apply for student-athletes and non-student-athletes as it relates to financial aid packaging, but that this distinction derives from a conscious decision by the Division III membership and would take legislative and philosophical change to allow for leadership experiences in athletics activities to be permissible financial aid packaging criteria.

- e. **Implications of Sharing Institutional Financial Aid Data and Variance Information with Other Institutions.** The committee agreed to communicate with the Division III membership regarding the committee's policy to maintain confidentiality of institutional financial aid data and the implications of an institution opting to share its financial aid report and variance information with other institutions, noting that variance information is not intended for an institution-by-institution comparison.

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