Division I Advanced
Financial Aid –
Advanced
Application
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Learning Objectives
• Effectively explain new financial aid legislation
  and recent interpretations to institutional
  constituents.
• Identify and apply applicable legislation and
  interpretations to complex factual scenarios.

Topic Areas
- Legislative Update.
- Interpretations.
- Employee Dependent Tuition Benefits.
- Equivalency Calculation for Part-Time Enrollment.
- Application of Summer Proportionality for Student-Athlete
  on a Multiyear Agreement.
- Academic Honor Awards – Renewals.
- Multisport Participants.
Legislative Update

Maximum Meal Plan

- **Proposal No. 2013-28** FINANCIAL AID -- ELEMENTS OF FINANCIAL AID -- ROOM AND BOARD -- MAXIMUM MEAL PLAN
  - **Intent**: To permit an institution to provide a student-athlete financial aid that includes a board allowance that consists of three meals per day or the institution’s maximum meal plan that is available to all students, whichever is greater.
  - **Effective Date**: August 1, 2014

Elimination of Certification Requirements

- **Proposal No. 2013-29** FINANCIAL AID -- INSTITUTIONAL FINANCIAL AID -- ELIMINATION OF CERTIFICATION REQUIREMENTS RELATED TO INSTITUTIONAL FINANCIAL AID
  - **Intent**: To eliminate the noncounter certification form requirement.
    - Institution will still have to confirm that institutional aid is awarded on basis unrelated to athletics ability, participation or achievement.
  - **Effective Date**: August 1, 2014
Squad List Requirements

- Proposal No. 2013-30 FINANCIAL AID -- MAXIMUM INSTITUTIONAL GRANT-IN-AID LIMITATIONS IN SPORT -- SQUAD LIST -- PROCEDURES
  - Intent: To eliminate the requirement that an institution's athletics director compile and sign the squad list; further, to specify that the athletics director may designate another individual to sign the form for each sport.
  - Designee may not be a coaching staff member.
  - Effective Date: August 1, 2014

Meals Incidental to Participation

- Proposal No. 2013-31-B AWARDS, BENEFITS AND EXPENSES -- MEALS AND SNACKS INCIDENTAL TO PARTICIPATION
  - Intent: To specify that an institution may provide meals and snacks to student-athletes as a benefit incidental to participation in intercollegiate athletics.
  - Bylaw 15 Implications: The cost of such meals and snacks need not be deducted from a student-athlete's board allowance. Such meals and snacks also may be received by a student-athlete who is not receiving athletically related financial aid as a benefit incidental to athletics participation.
  - Effective Date: August 1, 2014

Interpretations

- Reduction of Financial Aid (I)
  - Staff Confirmation, 8/31/13
  - An institution that distributes excess financial aid to a student-athlete, which would cause the student-athlete's award to exceed a full grant-in-aid (athletically related aid) or cost of attendance (all aid), may gradate the excess aid.
Interpretations

o However, if the student-athlete has gained a benefit from aid received in excess of a full grant-in-aid or cost of attendance (e.g., receipt of funds, payment of charge on student-athlete's account), the institution may not avoid a violation by obtaining reimbursement from the student-athlete or charging the student-athlete's account in the amount of the excess aid received.

Interpretations

• Awarding Athletics Aid to a Senior Prospective Student-Athlete who will Graduate and Enroll Midyear (I)
  o Official, 4/16/14
  o PSA who intends to graduate and enroll midyear may sign aid agreement on or after August 1.
    • Must be enrolled in coursework needed for midyear graduation.
  o Violation results if PSA does not enroll midyear.
  o Bylaw 15 implication: Bylaw 15.5.1.10.1 Limitation on Number of Signings.
    • A PSA who does not enroll may still count against the limit on signings.

Employee Dependent Tuition Benefits
Employee Dependent Tuition Benefit

• 15.02.4.1 Institutional Financial Aid. The following sources of financial aid are considered to be institutional financial aid:
  (a) All funds administered by the institution, which include but are not limited to the following:
    (4) Employee dependent tuition benefits, unless the parent or the legal guardian of a student-athlete has been employed as a full-time faculty/staff member for a minimum of five years;

Employee Dependent Tuition Benefit

• Institution offers an employee dependent tuition benefit.

• SA's parent will have worked for the institution for five years on October 1, 2014.

• SA will receive .50 in athletics aid for the 2014-15 academic year.

Employee Dependent Tuition Benefit

• May the tuition benefit be exempted for the full academic year?
  o No. The value of the benefit provided before October 1 counts toward the equivalency computation. Value of the benefit provided on or after October 1 may be exempted.
  o If an exception is applicable (Bylaw 15.3.3.1.1 One-Year Period), athletics aid may be provided beginning on October 1 and the tuition benefit may be exempted.
Official Interpretation

• August 15, 2001: Employee Dependent Tuition Waivers Administered by a State Agency.

• Exemption does not apply to an employee dependent tuition program administered by a state administrative agency (e.g., board of regents, state legislature) that permits an employee of a state institution to receive a tuition waiver for his or her dependent to attend any state institution, unless the dependent attends the institution at which his or her parent is employed.

Reciprocal Benefits Program vs. Tuition Grant

• Institution A has a program that provides all employees who have worked there for at least 10 years with tuition remission for dependent children at Institution A or a grant for them to attend any other institution.

• Institution B belongs to a consortium in which a child of an employee is provided a tuition waiver if he or she attends Institution B or a waiver by other institution if he or she attends another member (of the consortium) institution.

Reciprocal Benefits Program vs. Tuition Grant

• What is the analysis for a twenty-year employee at each institution whose daughter is attending the employee’s institution and receiving athletics aid?

  o In either case, the aid may be exempted per Bylaw 15.02.4.1-(a)-(4).
Reciprocal Benefits Program vs. Tuition Grant

• What is the analysis for a twenty-year employee at each institution whose daughter is attending another institution and receiving athletics aid?
  o Institution A: the grant is an outside scholarship (Bylaw 15.2.6).
  o Institution B: the grant is institutional aid based on the institution’s choice to be a member of the consortium. No exemption.

Reciprocal Benefits Program vs. Tuition Grant

• What if Institution A’s program were limited to certain other schools?
  o Aid is unrelated to athletics ability. Use Bylaw 15.2.6.2 (No Relationship to Athletics Ability). Does not count toward team limits.

Permissible Institutional Aid

- Funds administered by the institution:
  - Scholarships.
  - Grants.
  - Tuition waivers.
  - Employee dependent tuition benefits.
  - Loans.
- Aid from government or private sources, if the institution:
  - Selects recipient or determines amount of aid; or
  - Provides matching or supplementary funds for a previously determined recipient.
Other Permissible Aid

- Parents and legal guardians.
- Aid unrelated to athletics ability.
- Established and continuing outside program (Bylaw 15.2.6.3).
  - Donor may not restrict recipient’s choice of institution.
  - No direct connection between donor and the SA’s institution.
  - Not from an outside sports team or organization to SA who is or was a member of the team or organization.
- U.S. Olympic Committee.

Equivalency Calculation for Part-Time Terms

- Amount of a full grant-in-aid – expressed as a fraction.
- Amount of aid received by the student-athlete (up to a full grant-in-aid) as the numerator.
- Full grant-in-aid value for the student as the denominator.
- Actual or average method.
  - Actual method involves a calculation based on a student-athlete’s actual grant-in-aid.
  - Average method involves a calculation based on the average value of a grant-in-aid at the institution.

Equivalency Sports Calculation
Part-Time Term

• Institution’s cost for full-time tuition is $5,000 per semester.

• SA will be enrolled full time in the fall and will finish his degree as a part-time student in the spring. Spring tuition charge will be $2,500.

Part-Time Term

• What is the value of the tuition element of the denominator for this SA?
  o Fall: $5,000 + Spring: $2,500 = $7,500*

*As noted during presentation, current staff analysis is under review to determine if bylaw may be interpreted more broadly.

Part-Time Term

• How could the equivalency vary depending on whether he or she receives a lump sum (e.g., $15,000) or a percentage of a full grant-in-aid (e.g., 50% of a full grant)?
  o In the numerator, awards based on percentages of a full grant change based on the value of a full grant. Lump sums remain constant.
  o 50% of $20,000 (10,000) vs. 50% of $17,500 (8,750)
  o 15,000 over 20,000 (.75) vs. 15,000 over 17,500 (.86)*

*As noted during presentation, current staff analysis is under review to determine if bylaw may be interpreted more broadly.
Summer Proportionality For Student-Athlete on Multiyear Grant

Proportionality Requirement

• After initial full-time enrollment, summer athletics aid only if received athletically related aid from the certifying institution during previous academic year at that institution.

• Aid may be awarded only in proportion to the amount of athletically related financial aid received during previous academic year at the certifying institution.

Summer Aid Exception

• Exception for first-time award next academic year.
  
  o Awarded athletically related financial aid for the following academic year; and

  o Aid is awarded only in proportion to the amount of athletically related financial aid the student will receive for the following academic year.
Summer Aid

• Student-athlete has been a walk-on for the last five semesters. Coach has a .20 equivalency left for the spring term and wants to provide to the student-athlete. Coach is also looking to provide a .50 equivalency for the following academic year.

Summer Aid

• Is it possible to provide a .50 for the summer term? If provided as multiyear agreement to cover three terms (spring 2014 and 2014-15 academic year)?
  
  o If .20 is provided for the spring term, only .20 may be provided for the summer 2014, even if provided as part of a multiyear agreement.
  
  o If coach waits to provide academic year aid until the 2014-15 year, .50 may be provided for the summer 2014.

Academic Honor Awards

-- Renewals
Academic Honor Awards -- Renewals

- Bylaw 15.5.3.2.2.1.

- A renewal may be exempted from an institution's equivalency computation regardless of whether the recipient qualified for exemption in his or her initial academic year enrollment, provided:
  - Cumulative GPA is at least 3.000; and
  - Meets PTD requirements.

SA's initial full-time enrollment was Fall 2013.

SA received an academic honor award, but did not qualify for exemption.

SA earned a GPA of 3.150 in 2013-14 and met PTD requirements.

SA's award was renewed for 2014-15.

May the award be exempted for 2014-15?

- Yes. Renewal of an academic honor award may be exempted from an institution’s equivalency computation regardless of whether the recipient qualified for exemption in his or her initial academic year enrollment, provided:
  - Cumulative GPA is at least 3.000; and
  - Meets PTD requirements.
Academic Honor Awards -- Renewals

• SA's initial full-time enrollment was Spring 2014.
• SA received an academic honor award, which was exempted per Bylaw 15.5.3.2.2.1.
• A renewal may be exempted from an institution's equivalency computation regardless of whether the recipient qualified for exemption in his or her initial academic year enrollment.

Academic Honor Awards -- Renewals

• May the renewal be exempted?
  - Yes. There is no requirement that the student-athlete must be enrolled for a full academic year for a renewal to be exempted.

Academic Honor Awards -- Renewals

• SA's initial full-time enrollment was Fall 2013.
• SA received an academic honor award, which was exempted per Bylaw 15.5.3.2.2.1.
• SA's award was renewed for 2014-15
• SA's fall amount was exempted.
• After the fall 2014 term the SA's GPA is 2.990.
Academic Honor Awards -- Renewals

• May the award be exempted for the spring term?
  o Yes. If the award was renewed for the full 2014-15 academic year, it may be exempted for the full year based on the academic record at the beginning of the fall.

Academic Honor Awards -- Renewals

• SA’s initial full-time enrollment was Fall 2013.
• SA received an academic honor award, which was exempted per Bylaw 15.5.3.2.2.1.
• SA’s award was renewed for 2014-15 but he did not meet the 3.000 GPA required for it to be exempted.
• After the fall 2014 term the SA’s GPA is 3.050.

Academic Honor Awards -- Renewals

• May the award be exempted for the spring term?
  o Yes. If the minimum requirements are met in the fall, the award may be exempted for the spring.
Multisport Participants

- 15.5.9.1 Football.
- A counter who was recruited and/or offered financial aid to participate in football and who participates (practices or competes) in football and one or more sports (including basketball) shall be counted in football.
- A counter who was not recruited (per Bylaw 15.02.8) and/or offered financial aid to participate in football and who competes in football and one or more sports (including basketball) shall be counted in football.

Recruited track SA will be a junior next year.
- He wants to participate in football.
- He receives athletics aid from track.
Mutisport Participants

- Will his aid count against football if he only practices with football?
  - No. Not recruited to participate in football.
- Will his aid count against football if he competes in football?
  - Yes. Any counter who competes in football counts in football.

Questions?