

March 30, 2020

VIA EMAIL

Grace Calhoun [Chair]  
NCAA Division I Council  
P.O Box 6222  
Indianapolis, IN 46206

Dear Ms. Calhoun:

This letter is to provide feedback to the NCAA Division I Council regarding Division I Proposal Number 2019-119 (Financial Aid – Exempted Institutional Financial Aid – Institutional Need-Based and Non-Discretionary Merit-Based Aid). LEAD1 is the association that represents the athletic directors of the 130 member universities of the NCAA Division I Football Bowl Subdivision (FBS). To best provide comment, we created a working group comprised of selected member athletics directors as well as other senior athletics staff.

We are very supportive of Division I Proposal No. 2019-119, which would specify that an institutional need-based grant awarded based solely on demonstrated financial aid and an institutional merit-based award with no relationship to athletics ability are both exempt and not counted in determining an institution's team financial aid limitations. We believe that removing the requirement to include institutional need-based and nondiscretionary merit-based awards in a team's equivalency computations would positively impact student-athlete well-being for the following reasons.

First, over the past couple decades, the NCAA and its member institutions have continually softened restrictions with respect to team financial aid limitations and thus Proposal No. 2019-119 would seem like the natural next step in alleviating restrictions on student-athlete financial aid. Some examples include NCAA bylaws (1) 15.02.5.4 which exempts federal and state need-based grants from team financial aid limitations; (2) 15.2.7 which exempts all on-campus and off-campus employment earnings from team financial aid limitations; and (3) 15.5.3.2.4 which exempts academic honor awards from an institution's equivalency computations.

Second, although institutional merit-based financial aid awards are generally exempt (e.g., not counted) against team financial aid limitations, a student-athlete still must meet specific criteria for each type of merit award to not count against team financial-aid limitations (i.e., for merit scholarships, incoming freshman must have had at least a 3.5 cumulative grade-point average (GPA) in high school). Thus, while merit-based standards may appear uniform (i.e., for merit scholarships, returning undergraduate students must have achieved a cumulative GPA of at least a 3.0), earning a 3.0 at one institution may, for example, be vastly different than earning the same GPA at another institution. Proposal No. 2019-119 would, instead, offer a uniform approach to all non-athletics financial aid, and, at the same time, eliminate some of the inequality that exists among institutions based on academic rigor.

To this end, as mentioned above, given that if a student-athlete does not meet certain criteria for each type of merit award, such aid would count against team financial-aid limitations, and therefore, institutions may be incentivized to reduce such a student-athlete's athletic scholarship in order to meet maximum NCAA team limitation requirements.

Third, given that institutional need-based aid cannot be combined with athletics aid, but institutions can, however, offer both, currently, student-athletes are required to choose between such grants. As the NCAA's Student-Athlete Experience Committee stated in its proposed rationale, this proposal would not only reduce the financial burden on student-athletes and their families (by reducing situations where student-athletes choose between which aid to accept), but also decrease the possibility of an institution offering less athletics aid as a result of a student-athlete's need-based aid offer exceeding the potential athletics offer.

Fourth, while some coaches fear that allowing institutions to "stack" need-based aid on top of athletics aid could lead to "tampering" (where an institution recruits a student-athlete currently enrolled at another institution), often, an institution will not permit stacking if an athletics offer is greater than a need-based offer. For example, if an institution's financial aid office determines that a student-athlete qualifies for a \$10,000 need-based grant, but the athletics department offers that same student-athlete a \$20,000 grant-in-aid, that student-athlete no longer has "need," and therefore, the institution is often less likely to offer both.

In short, with respect to financial aid, Proposal No. 2019-119 would allow institutions to treat student-athletes the same as other students and positively impact student-athlete well-being. We thank our co-chairs and their committee members for their effort on this issue, and, again, thank you for the opportunity to provide comment to the NCAA Division I Council.

Sincerely,

Tom McMillen  
CEO & President; LEAD1 Association

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