



**NCAA Division I Proposal No. 2018-76 Financial Aid –
Maximum Institutional Grant-in-Aid Limitations by Sport –
Equivalency Sports – Equivalency Computations (I)
(Updated: March 26, 2020)**

Editor's Note: This document was updated to include Question Nos. 3, 4, and 7 to provide additional clarity to the membership.

Question No. 1: Would an institution be required to change how they currently calculate equivalencies?

Answer: No. The proposal would create permissive legislation that allows institutions flexibility when calculating equivalencies. Institutions may continue to use current methodologies.

Question No. 2: Would an institution be able to exceed the individual financial aid limitation? For example, if a student-athlete elects a higher cost meal plan than used in the institution's average cost of attendance calculation, can the institution use the flexibility permitted in the equivalency calculation to award the student-athlete more than cost of attendance?

Answer: No. Institutions must ensure that the amount of financial aid provided to student-athletes does not exceed their individual financial aid limit (i.e., cost of attendance).

Question No. 3: Would the proposal permit an equivalency greater than 1.0?

Answer: No, an equivalency may not be greater than 1.0.

Question No. 4: How would the proposal impact equivalency calculations?

Answer: The proposal would permit two additional calculation methods (i.e., "average over actual" and "actual over average") per element of financial aid, for an institution to use at its discretion. The additional calculation methods, if an institution uses them, may result in a higher or lower equivalency for each student-athlete.

Example 1: Student-Athlete No. 1 is awarded a full athletics grant-in-aid at State University, where the average cost of an on-campus room is \$6,000 per year. Student-Athlete No. 1 lives in an on-campus room that costs \$6,000 per year, or the same as the institutional average.

- In this scenario, both the actual cost and average cost for the room are \$6,000. Therefore, the room portion of Student-Athlete No. 1's equivalency is 1.0 (\$6,000/\$6,000) regardless of methodology used.

Example 2: Student-Athlete No. 2 is awarded a full athletics grant-in-aid at State University, where the average cost of an on-campus room is \$6,000 per year. Student-Athlete No. 2 lives in an on-campus room that costs \$10,000 year.

- Under current legislation, the room portion of the student-athlete's equivalency is 1.0. Using average over average methodology, the equivalency is \$6,000/\$6,000. If the actual over actual methodology is used, his equivalency would be \$10,000/\$10,000.
- If adopted, Proposal No. 2018-76 would allow an institution to calculate Student-Athlete No. 2's room equivalency using average over actual (\$6,000/\$10,000) or actual over average (\$10,000/\$6,000) methodology. The institution may permissibly provide Student-Athlete No. 1 a full room element while calculating the equivalency as a 0.60 or a 1.0.

Example 3: Student-Athlete No. 3 is awarded a 50% athletics grant-in-aid at State University, where the average cost of room and board is \$6,000 per year. Student-Athlete No. 3 lives in an on-campus room that costs \$5,000 per year.

- Under current legislation, the room portion of the student-athlete's equivalency is 0.50. Using average over average methodology, the equivalency is \$3,000/\$6,000. If the actual over actual methodology is used, his equivalency would be \$2,500/\$5,000.
- If adopted, Proposal No. 2018-76 would allow an institution to calculate Student-Athlete No. 3's room equivalency using actual over average (\$2,500/\$6,000) or average over actual (\$3,000/\$5,000). The institution may permissibly provide Student-Athlete No. 1 with 50% of his actual room cost while calculating the equivalency as a 0.42 or 0.60 methodology.

Question No. 5: Would the proposal impact an equivalency calculation for a part-time student?

Answer: No. The denominator of an equivalency calculation for a student-athlete enrolled part time is based on the actual or average cost of a full grant-in-aid for all students enrolled in a minimum full-time program of studies at the institution.

Question No. 6: Would the proposal impact how the provision of books factors into an equivalency calculation?

Answer: No. The proposal would not change the application of NCAA Bylaw 15.5.3.2.3-(c), which requires that institutions account for the provision of a book allowance using \$800 in the denominator and numerator of the equivalency calculation.

Question No. 7: Would the proposal permit an institution to use one calculation method for Bylaw 15 and a different method for Bylaw 20?

Answer: No. An institution must use the same equivalency calculation methodology (e.g., actual/actual, actual/average) for both Bylaw 15 and Bylaw 20. While the calculation methodology must be the same for Bylaw 15 and Bylaw 20, the equivalencies calculated may end up different. For example, current legislation allows an institution to use full cost of attendance in the denominator of an equivalency for purposes of Bylaw 15 but is limited to the value of tuition and fees, room and board and required course-related books for Bylaw 20. Further, all institutional aid awarded to a counter is included in the calculation for the equivalency used for purposes of Bylaw 20, but the institution may exempt certain types of aid (e.g., academic honor awards) for purposes of team financial aid limitations.