



**NCAA Division I Proposal No. 2019-119 Financial Aid – Exempted  
Institutional Financial Aid – Institutional Need-Based and  
Nondiscretionary Merit-Based Aid (I)**

**Editor's Note:** This educational column reflects the most recent question and answer document associated with the proposal.

**Question No. 1:** Will NCAA Division I Proposal No. 2019-119 apply retroactively?

**Answer:** No. If adopted, institutional merit-based and need-based awards received by any student-athlete after August 1, 2020, are exempt from team financial aid limits.

**Question No. 2:** Will awards exempted under this proposal continue to be countable toward the student-athlete's individual financial aid limit?

**Answer:** Yes.

**Question No. 3:** May awards exempted under this proposal include limited availability or time-bound restrictions (e.g., first-come, first-served)?

**Answer:** Yes. Objective application deadlines and "first-come, first-served" policies are nondiscretionary. However, the institution should monitor to ensure that student-athletes and prospective student-athletes are treated in the same manner as other applicants (e.g., no advance access to the application).

**Question No. 4:** Could awards exempted under this proposal be used to satisfy minimum equivalency value legislation in baseball?

**Answer:** No. Only countable aid may satisfy the minimum equivalency value legislation in baseball.

**Question: No. 5:** Would it be permissible for an institution to reduce an athletics aid agreement based on the student-athlete receiving an increase in exempted institutional aid? For example, student-athlete No. 1 signs an aid agreement for 75% for four years. After signing the aid agreement, the amount of need-based aid she qualifies for increases. Could the institution reduce student-athlete No.1's athletics aid in proportion to the increase in exempt need-based aid?

**Answer:** Yes, if the athletic aid agreement includes nonathletically related terms that permit the institution to reduce athletics aid following an increase in exempted institutional aid. However, if the agreement does not include such a condition, the institution may only reduce athletic aid if the total amount of financial aid would result in student-athlete No. 1 exceeding the individual financial aid limit.

**Question No. 6:** May an institution consider objective demographic criteria (e.g., residency status) in awarding institutional nondiscretionary, merit-based or need-based aid? For example, may an institution exempt institutional awards that award different amounts to in-state and out-of-state students?

**Answer:** Yes, objective demographic factors (e.g., residency) may be considered in the awarding of exempt institutional nondiscretionary, merit-based or need-based aid.

**Question No. 7:** Must an institution use documented awarding criteria to exempt a nondiscretionary, merit-based institutional award?

**Answer:** Yes. An institution must establish documented awarding criteria to exempt an institutional nondiscretionary, merit-based award. However, the policies and awarding criteria may be internal documents unavailable to the public at large.

**Institutional Nondiscretionary, Merit-Based Aid.**

**Question No. 8:** What types of institutional financial aid may be considered nondiscretionary merit-based aid?

**Answer:** Nondiscretionary merit-based awards must be based on documented, objective criteria that apply to all students. All students meeting the criteria must receive the award for the award to be considered nondiscretionary. For example, a scholarship awarded to any student with a certain grade-point average and standardized test score that applied for admission prior to a documented deadline is a nondiscretionary award. Competitive awards and awards based on subjective criteria (e.g., leadership potential, essay, interview) are not nondiscretionary.

**Question No. 9:** Does this proposal create minimum standards for an award to be considered merit-based?

**Answer:** No. However, student-athletes must meet the same documented, objective criteria as students generally.

**Question No. 10:** Does the proposal eliminate existing legislation permitting the exemption of certain forms of institutional aid (e.g., academic honor awards)?

**Answer:** No, this proposal does not eliminate any existing financial aid exemption. For example, an academic award that cannot be considered a nondiscretionary institutional merit-based award may be exempted from team financial aid limits if the recipient meets or exceeds criteria provided in the applicable academic honor award legislation (e.g., a 3.000 grade-point average).

**Institutional Need-Based Aid.**

**Question No. 11:** Are institution-specific policies and procedures to determine the financial need permissible?

**Answer:** Yes, provided the methodologies used to determine the financial need of student-athletes conform to written institutional policies and procedures that apply to students generally and to applicable state and federal guidelines.