

## NEGOTIATED RESOLUTION<sup>1</sup>

University of Idaho – Case No. 01198

June 18, 2021

### **I. CASE SYNOPSIS**

The associate director of athletics for compliance, who began employment at the University of Idaho in the summer of 2019, began discovering red flags in the area of financial aid in the spring of 2020. This concern prompted closer scrutiny and further inquiry regarding the institution's financial aid processes. As a result, the compliance staff discovered several financial aid violations had occurred over at least the last four years. These violations occurred primarily due to previous compliance staffs' incorrect assumptions that personnel in the financial aid, student accounts and athletics business offices who had many years of experience administering athletically related financial aid did not require periodic rules education or spot checking.

Agreed-Upon Finding of Fact No. 1 details recurring violations involving impermissible reductions of student-athlete athletics aid and improper calculations of student-athlete equivalencies. Regarding Agreed-Upon Finding of Fact No. 1-a, students who dropped courses after a term's census date were not eligible for refunds of course fees. When a student-athlete receiving a scholarship covering course fees dropped a course after the census date without being advised to do so by an academic advisor, the athletics department charged the amount of the course fee to the student-athlete's account. The fees ranged between \$9 and \$250, with most between roughly \$40 and \$100. The athletics business office personnel and office of student accounts who implemented the charging back of course fees did not consider this action as a reduction of athletically related financial aid; however, compliance was not consulted or otherwise involved. Agreed-Upon Finding of Fact No. 1-a is the only area of violations that involved student-athletes receiving less total aid than they were promised in their financial aid agreements.

Regarding Agreed-Upon Finding of Fact No. 1-b, student-athletes signed award letters for athletically related financial aid before their eligibility for institutional non-athletics aid had been fully vetted. The financial aid agreements clearly stated that the awards constituted athletics financial aid. Further, the terms of the awards did not include non-athletically related conditions allowing the institution to adjust athletics aid based upon non-athletics scholarships or financial aid. When student-athletes who signed athletics aid awards subsequently received non-athletics aid, the institution decreased those individuals' athletically related financial aid in amounts equal to the additional non-athletics aid. These reductions occurred whether or not the additional aid increased awards beyond the institution's cost of attendance. The financial aid office directed the athletics department to have student-athletes re-execute financial aid agreements reflecting updated amounts of athletically related financial aid. The financial aid office's goal in requesting student-athletes to re-execute financial aid agreements was to provide transparency regarding the reduction of the percentage of athletics aid awarded and to reassure the student-athletes that their

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<sup>1</sup> In reviewing this agreement, the hearing panel made editorial revisions pursuant to NCAA Division I Committee on Infractions (COI) Internal Operating Procedure (IOP) 4-9-1-2. These modifications did not affect the substance of the agreement.

total amount of financial aid had not decreased. The institution's director of compliance near the beginning of the period of violations was aware student-athletes re-executed aid agreements but did not believe doing so constituted a violation. Subsequent compliance directors were not aware aid agreements were re-executed until the institution discovered the violations.

Regarding Agreed-Upon Finding of Fact No. 1-c, the institution incorrectly calculated both the board and housing elements of equivalencies. For individuals with full board scholarships, the institution impermissibly utilized the cost of a meal plan available only to student-athletes and not to the general student population. This meal plan was valued at approximately \$720 less than the institution's maximum meal plan. Additionally, for the housing element of all equivalency calculations, the institution impermissibly utilized the average cost of two on-campus dorms at a double rate instead of utilizing actual cost or a weighted average of all beds on campus. The violations occurred because the financial aid staff members performing these calculations did not have adequate understanding of NCAA financial aid legislation in that area. The institution verified that the equivalency miscalculations did not cause any team to exceed maximum equivalency limitations and did not cause any individual student-athlete to exceed financial aid limitations. Therefore, no student-athletes competed while ineligible.

Agreed-Upon Finding of Fact No. 2 details the institution's failure to adequately educate and monitor those involved in its athletics financial aid processes. Representatives from the office of student-accounts, financial aid office and the athletics business office administered athletically related financial aid in the absence of meaningful education, guidance, involvement or oversight from the compliance office from before the period of violations until approximately the fall of 2019. These representatives did not knowingly violate NCAA legislation; however, they failed to recognize they were acting in violation of NCAA rules for an extended time. By the summer of 2020, the institution discovered the remaining instances of financial aid violations and implemented corrective measures to ensure further violations did not occur.

Agreed-Upon Finding of Fact No. 3 involves a student-athlete who received a disbursement of his room and board stipend days before he enrolled in courses for the term. The student-athlete graduated from the institution at the conclusion of the 2020 fall semester but returned to the institution for the following semester when the football season was rescheduled to the spring of 2021 due to COVID-19. Because of the student-athlete's graduation, the compliance system the institution utilized to verify enrollment did not flag the disbursal of the student-athlete's stipend. The institution quickly discovered the violation, declared the student-athlete ineligible before he competed and went through the reinstatement process.

The institution and NCAA enforcement staff reviewed similar case precedent to ensure a consistent assessment of the level, classification and penalties for this case. Specifically, the institution and enforcement staff noted the Purdue University Fort Wayne (Purdue Fort Wayne), formerly known as Indiana University-Purdue University, Fort Wayne, November 24, 2015, infractions decision included a finding that the institution impermissibly decreased or cancelled awards and/or failed to provide the required notices or opportunities for hearings regarding the

reduction or nonrenewal of awards on 130 occasions over four academic years. Additionally, and similar to this case, Purdue Fort Wayne's mitigating factors outnumbered its aggravating factors by one. The panel classified the Purdue Fort Wayne case as Level II – Standard and prescribed two years of probation, a \$15,000 fine and other administrative reporting requirements.

## **II. PARTIES' AGREEMENTS**

### **A. Agreed-upon findings of fact, violations of NCAA legislation and violation levels.**

1. [NCAA Division I Manual Bylaws 15.2.2, 15.2.2.1, 15.2.2.1.1 and 15.5.3.2-(b) (2016-17 through 2019-20) and 15.3.2.3, 15.3.4.2.1 and 15.3.4.3.2 (2016-17 through 2020-21)] (Level II)

The institution and enforcement staff agree that from at least the 2016-17 academic year through the 2020-21 academic year, the institution impermissibly reduced athletically related financial aid of student-athletes on approximately 139 occasions during the periods of the awards and failed to properly notify the involved student-athletes in writing of the reductions and opportunities for hearings. Additionally, from at least the 2016-17 academic year through the 2019-20 academic year, the institution improperly calculated equivalencies. Specifically:

- a. From at least the 2016 fall semester through the 2019 fall semester, the institution impermissibly charged student-athletes course fees covered under the student-athletes' athletics aid agreements on 100 occasions where student-athletes dropped courses on their own accord after the drop/add deadline for the term. The total amount impermissibly charged to student-athletes was approximately \$7,924. Additionally, the institution failed to notify these student-athletes in writing of the reductions and opportunities for hearings. [NCAA Bylaws 15.3.2.3, 15.3.4.2.1 and 15.3.4.3.2 (2016-17 through 2019-20)]
- b. From at least the 2016-17 academic year through the 2020-21 academic year, the institution impermissibly reduced student-athletes' institutional financial aid based on athletics ability on 39 occasions after award letters were signed to remove the amount of athletics aid equal to non-athletics aid subsequently received by each individual. Additionally, the institution failed to notify these student-athletes in writing of the reductions and opportunities for hearings. [NCAA Bylaws 15.3.2.3, 15.3.4.2.1 and 15.3.4.3.2 (2016-17 through 2020-21)]
- c. From at least the 2016-17 academic year through the 2019-20 academic year, the institution incorrectly calculated equivalencies for student-athletes when:
  - (1) From at least the 2016-17 academic year through the 2019-20 academic year, for student-athletes receiving full board scholarships, the institution failed to correctly calculate the board element. The institution utilized the

cost of a meal plan that was approximately \$720 less than the cost of the maximum meal plan available to all students and not equal to the cost of meals as calculated based on its policies and procedures for calculating the cost of attendance for all students. [NCAA Bylaws 15.2.2, 15.2.2.1 and 15.5.3.2-(b) (2016-17 through 2019-20)]

- (2) From at least the 2016-17 academic year through the 2019-20 academic year, the institution failed to correctly calculate the actual or average cost of the housing element. The institution utilized the average cost of only two on-campus dorms at the double room rate when NCAA legislation required a weighted average of all rooms on campus or the cost of room as calculated based on its policies and procedures for calculating the cost of attendance for all students. [NCAA Bylaws 15.2.2.1, 15.2.2.1.1 and 15.5.3.2-(b) (2016-17 through 2019-20)]

2. [NCAA Division I Manual Constitution 2.8.1 (2016-17 through 2019-20)] (Level II)

The institution and enforcement staff agree that from at least the 2016 fall semester through the summer of 2020, the scope and nature of the violations detailed in Agreed-Upon Finding of Fact No. 1 demonstrate that the institution violated the NCAA principle of rules compliance when it (a) routinely reduced institutional athletics aid during the periods of the awards and failed to provide written notifications and hearing opportunities regarding the reductions, (b) improperly calculated equivalencies and failed to implement monitoring systems to discover the miscalculations and (c) failed to adequately educate and monitor institutional staff members responsible for the administration of athletics aid.

3. [NCAA Division I Manual Bylaw 15.01.5 (2020-21)] (Level III)

The institution and enforcement staff agree that in the 2021 spring semester, a football student-athlete received disbursal of his off-campus room and board stipend a few days before he enrolled for the term.

**B. Agreed-upon aggravating and mitigating factors.**

Pursuant to NCAA Bylaw 19.5.12.1.3-(e), the parties agree that the aggravating and mitigating factors identified below are applicable. The parties assessed the factors by weight and number and agree that this case should be properly resolved as Level II – Standard.

**Institution:**

1. Aggravating factors (Bylaw 19.9.3).
  - a. A history of Level I, Level II or major violations by the institution [Bylaw 19.9.3-(b)].
  - b. Multiple Level II violations by the institution [Bylaw 19.9.3-(g)].
2. Mitigating factors (Bylaw 19.9.4).
  - a. Prompt acknowledgement of the violations, acceptance of responsibility and imposition of meaningful corrective measures and/or penalties [Bylaw 19.9.4-(b)].
  - b. Affirmative steps to expedite final resolution of the matter [Bylaw 19.9.4-(c)].
  - c. An established history of self-reporting Level III or secondary violations [Bylaw 19.9.4-(d)].<sup>2</sup>

**III. OTHER VIOLATIONS OF NCAA LEGISLATION SUBSTANTIATED; NOT ALLEGED**

None.

**IV. REVIEW OF OTHER ISSUES**

None.

**V. PARTIES' AGREED-UPON PENALTIES<sup>3</sup>**

All penalties agreed upon in this case are independent and supplemental to any action that has been or may be taken by the NCAA Division I Committee on Academics through its assessment of postseason ineligibility, historical penalties or other penalties.

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<sup>2</sup> The institution reported 60 Level III or secondary violations within the past five years, approximately 12 violations each year.

<sup>3</sup> If an opportunity to serve a penalty will not be available due to circumstances related to COVID-19, the penalty must be served at the next available opportunity. With the exception of postseason bans, probation and general show-cause orders, this methodology applies to all penalties, including institutional penalties, specific restrictions within show-cause orders and head coach restrictions, unless otherwise noted.

Pursuant to Bylaw 19.5.12.1.3-(e), the parties agree to the following penalties:

**Core Penalties for Level II – Standard Violations (Bylaw 19.9.5)**

1. Probation: Two years of probation, to run consecutively to the probation in Case No. 01020.<sup>4</sup> This will extend the probation period through June 17, 2024.<sup>5</sup>
2. Financial penalty: The institution shall pay a fine of \$5,000 to the NCAA.

**Additional Penalties for Level II – Standard Violations (Bylaw 19.9.7)**

3. Public reprimand and censure through the release of the negotiated resolution agreement.
4. The institution shall require the athletics financial aid liaison in the financial aid office to participate in a NCAA Regional Rules Seminar in June 2021.
5. During this period of probation, the institution shall:
  - a. Continue to develop and implement a comprehensive educational program on NCAA legislation to instruct coaches, the faculty athletics representative, all athletics department personnel and all institutional staff members with responsibility for financial aid legislation.
  - b. Submit a preliminary report to the office of the Committees on Infractions by **August 1, 2021**, setting forth a schedule for establishing this compliance and educational program.
  - c. File with the office of the Committees on Infractions annual compliance reports indicating the progress made with this program by **April 15**, during each year of probation. Particular emphasis shall be placed on rules education and monitoring related to athletically related financial aid.
  - d. Inform prospects in all sports programs in writing that the institution is on probation for two years and detail the violations committed. If a prospect takes an official paid visit, the information regarding violations, penalties and terms of probation must be provided in advance of the visit. Otherwise, the information must be provided before a prospect signs a National Letter of Intent.

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<sup>4</sup> Institutions must serve probation during the prescribed penalty period. The COVID-19 next available opportunity penalty methodology does not apply.

<sup>5</sup> The probationary period in Case No. 01020 began June 18, 2020, and is scheduled to end June 17, 2022.

- e. Publicize specific and understandable information concerning the nature of the infractions by providing, at a minimum, a statement to include the types of violations and the affected sport programs and a direct, conspicuous link to the public infractions decision located on the athletics department's main webpage "landing page" and in the media guides for all sports programs. The institution's statement must: (1) clearly describe the infractions; (2) include the length of the probationary period associated with the case; and (3) give members of the general public a clear indication of what happened in the case to allow the public (particularly prospects and their families) to make informed, knowledgeable decisions. A statement that refers only to the probationary period with nothing more is not sufficient.
6. Following the receipt of the final compliance report and prior to the conclusion of probation, the institution's president shall provide a letter to the NCAA Division I Committee on Infractions affirming that the institution's current athletics policies and practices conform to all requirements of NCAA regulations.

## **VI. OTHER AGREEMENTS**

The parties agree that this case will be processed through the NCAA negotiated resolution process as outlined in Bylaw 19.5, and a hearing panel comprised of members of the Committee on Infractions will review the negotiated resolution. The parties acknowledge that the negotiated resolution contains agreed-upon findings of fact of NCAA violations and agreed-upon aggravating and mitigating factors based on information available at this time. Nothing in this resolution precludes the enforcement staff from investigating additional information about potential rules violations. The parties agree that, pursuant to Bylaw 19.1.2, the violations identified in this agreement occurred and should be classified as Level II – Standard.

If a hearing panel approves the negotiated resolution, the institution agrees that it will take every precaution to ensure that the terms of the penalties are observed. The institution acknowledges that it has or will impose and follow the penalties contained within the negotiated resolution, and these penalties are in accordance with those prescribed in Bylaws 19.9.5, 19.9.6, 19.9.7 and 19.9.8. The office of the Committees on Infractions will monitor the penalties during their effective periods. Any action by the institution contrary to the terms of any of the penalties or any additional violations may be considered grounds for prescribing more severe penalties or may result in additional allegations and violations.

The parties acknowledge that this negotiated resolution may be voidable by the Committee on Infractions if any of the parties were aware or become aware of information that materially alters the factual information on which this negotiated resolution is based. Additionally, the parties acknowledge that this negotiated resolution will not be binding if the case is referred to the independent accountability resolution process (Bylaw 19.11).

The parties further acknowledge that the hearing panel, subsequent to its review of the negotiated resolution, may reject the negotiated resolution. Should the hearing panel reject the negotiated resolution, the parties understand that the case may be submitted through a summary disposition report (Bylaw 19.6) or notice of allegations (Bylaw 19.7) and prior agreed-upon terms of the rejected negotiated resolution will not be binding.

Should a hearing panel approve the negotiated resolution, the parties agree that they waive NCAA hearing and appellate opportunities.

### **VIII. DIVISION I COMMITTEE ON INFRACTIONS APPROVAL**

Pursuant to Bylaw 19.5.12, the hearing panel approves the parties' negotiated resolution agreement. The hearing panel's review of this agreement is limited. Hearing panels may only reject a negotiated resolution agreement if the agreement is not in the best interests of the Association or if the agreed-upon penalties are manifestly unreasonable. *See* Bylaw 19.5.12.2. In this case, the hearing panel determines that the agreed-upon facts, violations, aggravating and mitigating factors, and classifications are appropriate for this process. Further, the parties classified this case as Level II-Standard for Idaho. The agreed-upon penalties align with the ranges identified for core penalties for Level II-Standard violations in Figure 19-1 and Bylaw 19.9.5 and with the additional penalties available under Bylaw 19.9.7. Pursuant to Bylaw 19.5.12.4, this negotiated resolution has no precedential value.

The COI advises Idaho that it should take every precaution to ensure that it observes the terms of the penalties. The COI will monitor the institution while it is on probation to ensure compliance with the penalties and terms of probation and may extend the probationary period, among other action, if the institution does not comply or commits additional violations. Likewise, any action by the institution contrary to the terms of any of the penalties or any additional violations shall be considered grounds for prescribing more severe penalties and/or may result in additional allegations and violations.

NCAA COMMITTEE ON INFRACTIONS PANEL  
Thomas Hill  
Jill Redmond  
David M. Roberts, chief hearing officer



**APPENDIX A**

**UNIVERSITY OF IDAHO'S CORRECTIVE ACTIONS**

1. The institution is actively working to fill a new financial aid liaison position in the financial aid office that will have the ability to focus more on athletics.
2. The institution will revise portions of its athletics financial aid processes based on best practices. The institution will utilize disbursing scholarships rather than the third-party payer functionality within Banner. This will allow for the addition of automated disbursement rules in the scholarships.
3. A new financial aid policy and procedure manual will be developed to ensure best practices and will include enhanced collaboration and oversight by the athletics compliance department and financial aid liaison.
4. The supervisor of the new financial aid liaison will attend the NCAA Compliance Rules Seminar in June 2021.
5. The athletics compliance department took over responsibility for oversight of all athletics department athletics financial aid processes July 1, 2020, as oversight of these processes was originally housed in the athletics department business office.