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News

No Money, No Problems?

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Members of Division III of the National Collegiate Athletic Association are proud of its strict ban on awarding any athletically related financial aid. Though many loyalists have long insisted that the division's members have no problem adhering to this bedrock principle, a [new report](#) suggests that some institutions need a strong reminder to abide by it.

Division III first began requiring its members to keep track of their financial aid awards to athletes relative to non-athletes in the 2005-6 academic year. The initial goal of the project was to create a "uniform standard" by which the division's members could prove that they were complying with its ban on athletic scholarships, said Dan Dutcher, Division III vice president. When the reporting process was introduced, he noted, there was "a school of thought" that there were "some institutions that were cutting corners," whether intentionally or inadvertently, to the benefit of their athletics programs.

"At many institutions, the financial aid process may have unknowingly considered athletics," said Dutcher, identifying the kinds of violations that concerned the division. "In admissions, it's clearly permissible to use athletics. At some places, those same criteria or matrices are used for financial aid packaging. This can be taking place completely unknown to the athletics department."

By the same token, athletics officials might also purposely wish to encourage a larger financial aid package -- whether need- or merit-based -- for a star athlete, to lure them to an institution. Using other criteria as a proxy for athletic ability or leadership, an institution can unfairly provide additional aid to an athlete.

Now, with four years of data collected, the division has a much clearer picture of its members' adherence to its much-lauded non-scholarship approach. A report of these longitudinal findings alongside the numbers for the 2008-9 academic year was released by the NCAA this month, and most division leaders are relatively pleased with what it reveals.

"Looking at the data, there isn't an issue for most schools," Dutcher said. "The financial aid packages being offered are very consistent with our legislative standards. At some schools, we needed to go and provide additional information about the process, but for those schools this reporting process was simply a matter of education."

In all four years of reporting, the average Division III athlete has received greater financial aid awards than the average non-athlete despite having less financial need than the average non-athlete. For example, in the 2008-9 academic year, the average athlete received \$118 more in financial aid than the average non-athlete even though his or her financial need, using federal needs analysis, was calculated to be \$477 less than that of the average non-athlete. Over the past four years, however, this disparity has consistently been shrinking. Now, there is only a 2.57 percent difference between athletes and non-athletes in the proportion of financial need met by institutional aid.

When these aid package figures are adjusted to compare athletes and non-athletes of similar need, however, enrolling athletes actually receive less than their non-athlete counterparts. This gap has grown slightly in the past four years. In the 2008-9 academic year, athletes could expect to receive 3.69 percent, or \$578, less than non-athletes with comparable need.

Division III bylaws specifically state, "The percentage of total dollar value of institutionally administered grants awarded to student-athletes shall be closely equivalent to the percentage of student-athletes within the student body." The proportional difference between these two has remained "relatively stable" over the past four years. As of the 2008-9 academic year, athletes receive 1.06 percent more financial aid awards than their proportion within the student body.

Institutions that report financial aid figures at or above certain predetermined benchmarks are subject to further review by the Division III Financial Aid Committee, which determines if violations have taken place. In one of multiple possible circumstances, if the difference in the proportion of financial need met by institutional aid between athletes and non-athletes at an institution exceeds 19.4 percent, that institution will be considered a "statistical outlier" in the report and subject to further investigation.

At the first level of investigation, the Financial Aid Committee is charged "to determine if there is sufficient evidence to request a justification from the school for any perceived inequities that benefit student-athletes." In the past four years, 137 Division III institutions, or 31 percent of its membership, have been subject to the first review.

If an institution reaches the second level of investigation, it must provide written documentation justifying its "outlier" status, and prove that it is following division bylaws that ban any athletically related financial aid. In the past four years, 104 institutions, or 24 percent of the division's membership, have been subject to the second review. In the event that an institution cannot justify its actions to the committee, it is referred to the Division III Committee on Infractions for punishment.

Since this reporting process was introduced, 39 institutions have been found guilty of violating the division's financial aid policy. This constitutes 9 percent of the division's membership. Most of the violations, according to the report, "concern the consideration of athletics in non-need-based institutional gift aid -- most notably in [leadership grants](#) -- and as a component in the assessment of high school extracurricular activities by admissions offices." Additionally, the report notes that these violators "do not fit a single profile" and range in many variables from size to cost of attendance.

Sanctions for violators vary depending on the severity of the infraction. A violation can be considered either secondary -- "best described as isolated or inadvertent" -- or major. Secondary sanctions are meant to be "educative in nature" and include the "submission of detailed corrective action pertaining to the violations" among other punishments. Major sanctions can include public reprimand, ban from playoff competition, or potential loss of division status.

Only three of the violations have been deemed major by the division, and they are currently pending review by the Committee on Infractions. This being the case, the violating institutions and their punishable offenses have not yet been made public. Dutcher said he expects these first major offenders to be known by late summer or early fall. He noted, however, that secondary offenders will continue to have their identities protected.

"We want to do whatever we can do to encourage schools to be vigilant on the compliance front," Dutcher said. "It was more of a policy decision. If you publicly announce all secondary violators, then it might actually discourage institutions from reporting violations."

Bob Malekoff, assistant professor of sports studies at Guilford College and adviser to the [College Sports Project](#) -- an initiative of the Andrew W. Mellon Foundation studying academics and athletics at highly selective Division III institutions -- said he believes the report's claim that most violations of the division's financial aid policy are "inadvertent."

"It would surprise me if there were a significant number of schools that are purposely violating the tenet of no athletically related financial aid," Malekoff said. "It'd be impossible to know, of course. Still, it's hard to believe that there would be folks so brazen to say, 'Screw this, let's go our own way intentionally.'"

Still, he admits that, "like any competitive enterprise," there will always be some rule breakers. Considering the popularity and notoriety of the national championships sponsored by the NCAA, he mused that even Division III is a more "competitive enterprise" than it ever has been.

"Anytime you have a competitive situation, you'll have people looking for an edge," Malekoff said. "If everyone wanted to play nice, we wouldn't have a 400-page rulebook."

In future years of financial aid reporting, Dutcher noted that the NCAA will be able to conduct sport-by-sport analyses, something heretofore missing from existing reports.

— [David Moltz](#)