GAO

Briefing Report to the Honorable
Byron L. Dorgan,
House of Representatives

May 1987

STUDENT AID

Financial Assistance to Scholarship Athletes

GAO/HRD-87-78BR

GAO

United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

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May 11, 1987

The Honorable Byron L. Dorgan
House of Representatives

Dear Mr. Dorgan:

This briefing report responds to your March 20, 1986, request that we conduct a review of college athletes receiving federal financial assistance in addition to athletic scholarships. You wanted some assurance that federal moneys available to such athletes were being used to support their academic rather than their athletic efforts. Specifically, you wanted to know how the academic success of athletes who receive federal financial aid compared to that of nonathletes who receive such aid. As agreed with your office, before extensively studying the issues, we visited a large university to determine the

-- availability and accessibility of data needed to conduct such a study,

-- complexities of developing nationally representative data, and

-- probable extent of federal student aid provided to scholarship athletes.

Our work was done at Michigan State University because it was close to our Detroit Regional Office, where we had staff experienced in reviewing programs providing federal financial aid for postsecondary education. We supplemented this work with financial aid and scholarship data from 22 other universities.

In our opinion, further review of federal aid to scholarship athletes is not warranted at this time because (1) few scholarship athletes receive federal aid, (2) academic requirements for athletes are changing, and (3) data and analytical difficulties would likely prevent such a review from yielding meaningful results. This report supplements our earlier briefing of your staff.

FEW SCHOLARSHIP ATHLETES RECEIVE FEDERAL AID

The amount of federal financial assistance to scholarship athletes appears to be small. Scholarship athletes make up a small portion of the student population, only a minority of the athletes receive federal financial assistance, and the average awards are similar to those given nonathletes. For example, we found that of 2,350 scholarship athletes in football and basketball (the major revenue-producing sports) attending these 23 universities during the 1984-85 school year, 456 (19 percent) received Pell Grants totaling $493,649--an average of $1,083. At Michigan State, 28 of 110 scholarship athletes in football and basketball received Pell Grants in addition to their athletic scholarships. These athletes received Pell Grants totaling $34,744, or an average of $1,241 per athlete. None of these athletes received Supplemental Educational Opportunity Grants, National Direct Student Loans, or College Work-Study funds. While data on Guaranteed Student Loans were not readily available, a school official said he believed that no scholarship athletes were receiving such loans.

ACADEMIC REQUIREMENTS FOR ATHLETES ARE CHANGING

Athletic eligibility requirements have recently been undergoing revisions, such as raising the academic standards for athletes. In 1986 the National Collegiate Athletic Association began requiring athletes to meet higher admission and academic requirements, such as minimum Scholastic Aptitude Test scores of 700 to be admitted and grade point averages of 2.00 (on a 4.00 scale) by the beginning of the fourth school year, in order to be eligible to participate in intercollegiate sports.

DATA AND ANALYTICAL DIFFICULTIES

The data needed to conduct a comprehensive study of federal aid to scholarship athletes, while generally available, vary in the manner in which they are recorded and in their accessibility, and would be costly and time consuming to obtain. If data were available, a study comparing the academic success of federally aided scholarship athletes with other federally aided students would yield questionable results because of serious methodological constraints. Such a study would need to include other success measures (e.g., credits earned and grade point averages) in addition to graduation rates in order to obtain a more complete picture of success in school. In particular, the small number of federally aided scholarship athletes would make

it extremely difficult to make meaningful comparisons of their academic success to that of federally aided nonathletes.

FURTHER REVIEW INADVISABLE

In view of the above, we believe that further review is not warranted at this time. We have discussed these matters with your office, and as agreed, we have curtailed our work on this topic.

Copies of this report are being provided to the assistant vice president for finance of Michigan State University and to Representative Robert Carr, and will be made available to others upon request. Should you need further information on the contents of this report, please call me on 275-5365.

Sincerely yours,

William J. Gainer
Associate Director

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ABBREVIATIONS

GAO	General Accounting Office
GPA	grade point average
MSU	Michigan State University
NCAA	National Collegiate Athletic Association

STUDENT AID:
FINANCIAL ASSISTANCE TO SCHOLARSHIP ATHLETES

INTRODUCTION

In a March 20, 1986, letter from Representative Byron L. Dorgan, we were asked to conduct a review of college students receiving federal financial aid in addition to athletic scholarships. Mr. Dorgan wanted us to determine the extent to which scholarship athletes receive federal financial assistance and to compare the academic success of such athletes with that of federally aided students not receiving athletic scholarships. During later meetings with the congressman's office, we agreed to initially review one large (National Collegiate Athletic Association (NCAA) Division I) institution. At that institution, we would determine the availability and accessibility of student data needed to conduct such a study and the probable extent to which federal aid is provided to scholarship athletes. We also agreed to focus on scholarship athletes in the major revenue-producing sports, football and basketball.

Financial aid awards from all sources to football and basketball players are limited by NCAA rules and federal regulations. The NCAA limits the number of scholarships schools may award in each sport annually, and individual conferences may further limit the number of awards allowed for their member institutions. In addition to athletic scholarships, athletes are eligible for federal financial aid if they meet the federal eligibility criteria, which are based primarily on financial need. According to the NCAA, the combined financial aid received by an athlete, with specific exceptions, may not exceed the educational expenses for that university.

Federal assistance to students for postsecondary education, authorized by title IV of the Higher Education Act, is generally based on financial "need." Need is defined as the difference between the cost of education (educational expenses, such as tuition, fees, room and board, books, supplies, and other related expenses) and the amount the student and his or her family can afford to pay as determined by a standard formula. Federal student financial aid includes Pell Grants, Supplemental Educational Opportunity Grants, National Direct Student Loans, College Work-Study, and Guaranteed Student Loans. All of these programs except Pell Grants restrict the grant or loan amount to the cost of education less any other financial aid a student receives. Pell Grants are awarded based on need and the cost of education, but academic and athletic scholarship awards are not considered in the need assessment.

The NCAA sets an annual limit on the number of athletic scholarships per sport to 95 in Division I football and 15 in

Division I basketball. Each athletic scholarship--regardless of the amount--counts against the total allowed per sport. Athletic conferences may set more stringent limitations on the number of scholarships allowed in each sport. For example, the Mid-American Conference in school year 1984-85 limited member institutions to 80 scholarships in football and 15 in basketball.

The NCAA also limits, with certain exceptions, the total amount of all financial assistance received by athletes. According to the NCAA, the total amount of financial aid an athlete receives from all sources may not exceed the "commonly accepted educational expenses" set by the institution. "Commonly accepted educational expenses," an amount set by each institution, includes tuition and fees, room and board, and required course-related books. The specified exceptions include such things as certain loans that are available to all students and have a regular repayment schedule, honorary awards on the basis of a student's academic record, Social Security Insurance Program benefits, and Pell Grants. Regarding Pell Grants, the total amount of aid received may exceed the total educational expenses as defined by the NCAA by up to $900. Students who receive both an athletic scholarship and a Pell Grant must have their athletic scholarships reduced if the total amount exceeds educational expenses by more than $900.

OBJECTIVES, SCOPE, AND METHODOLOGY

We selected Michigan State University (MSU) for our initial study because of its proximity to our Detroit Regional Office, where we had staff with experience in reviewing programs providing federal financial aid for postsecondary education. At MSU, we determined the nature and availability of various student data and discussed with university officials the procedures for admitting students, providing financial aid, and assuring that students maintain academic progress.

We supplemented our work at MSU with telephone interviews with officials from 22 other judgmentally selected Division I schools to determine the number of scholarship athletes in football and basketball receiving federal financial aid and the dollar amounts awarded. We obtained conference-wide data from officials of the Big Ten--of which MSU is a member--and Mid-American Conferences. We also collected data from officials from the University of California at Los Angeles (Pacific Ten Conference), Iowa State University (Big Eight Conference), University of Texas (Southwest Conference), and two independent (nonconference-affiliated) universities--Notre Dame University and Pennsylvania State University. The telephone inquiries were made to give us a better indication of how many football and basketball players received federal financial aid in addition to their athletic scholarships.

NUMBER OF SCHOLARSHIP ATHLETES RECEIVING FEDERAL AID

The officials we contacted reported that the number of athletes in football and basketball who received federal aid in addition to their athletic scholarships was relatively small at these schools. In 1984-85 they ranged from 4 in both sports at the University of Texas to 32 at Penn State. The average Pell Grant amount of $1,083 received by athletes at the schools in 1984-85 was similar to the $1,050 approximate average Pell Grant award received by all students nationally during 1984-85.

According to MSU officials, all football and basketball scholarship athletes at MSU receive full athletic awards. These awards, however, are reduced by any amount of federal, state, and/or private aid. Therefore, the dollar amount of a full award will vary depending on the amount of other financial aid received. In the 1984-85 school year, MSU had 28 scholarship athletes who received federal financial assistance (this includes students in the freshman year through senior, or last, year of athletic eligibility). Of these, 22 participated in football and 6 in basketball. The athletes were awarded $34,744 in Pell Grants--an average award of $1,241. None of these athletes received Supplemental Educational Opportunity Grants, National Direct Student Loans, or College Work-Study funds. Data on athletes receiving Guaranteed Student Loans were not readily available. However, an MSU official did not believe that any scholarship athletes at MSU were receiving such loans.

We obtained similar information from MSU for the 1985-86 school year. In that year there were 17 scholarship athletes (16 in football and 1 in basketball) who received Pell Grants totaling $17,682--an average of $1,040.

The Big Ten Conference collects financial aid data on an annual basis from its 10 member institutions. At the time we collected the data, conference data for school year 1984-85 (as shown in table 1) were available for 9 of the 10 schools.

Table 1: Big Ten Conference[a] Football and Basketball Scholarship Athletes Who Received Pell Grants (School Year 1984-85)

Institution	Percent of scholarship athletes who received Pell Grants	Average grant amount
University of Wisconsin	28	$1,403
University of Minnesota	26	1,367
Michigan State University	25	1,241
University of Illinois	25	868
University of Michigan	22	1,539
Northwestern University	21	1,393
Indiana University	18	1,538
University of Iowa	12	1,531
Ohio State University	8	1,721

[a]Data from Purdue University were not available.

At the nine schools, there were 990 scholarship athletes, of whom 205 (21 percent) received Pell Grants totaling $277,290 (an average of $1,353) in school year 1984-85. No athletes were receiving Supplemental Educational Opportunity Grant funds. According to a conference official, no Guaranteed Student Loan data are collected by the Big Ten, but scholarship athletes would be unlikely to obtain these loans.

We collected similar data from the Mid-American Conference. Of the 819 football and basketball scholarship athletes, 149 (about 18 percent) received Pell Grants. The total amount awarded was $93,806 (an average of $630). Unlike in the Big Ten Conference, 19 scholarship athletes also received Supplemental Educational Opportunity Grants totaling $6,431--an average of $338.

Table 2: Mid-American Conference Football and Basketball Scholarship Athletes Who Received Pell Grants
(School Year 1984-85)

Institution	Percent of scholarship athletes who received Pell Grants	Average grant amount
Kent State University	36	$793
Ball State University	27	451
Bowling Green State University	27	739
Western Michigan University	25	618
University of Toledo	22	467
Central Michigan University	10	646
Ohio University	7	547
Eastern Michigan University	6	520
Miami University	6	775

In addition to the data gathered on the Big Ten and Mid-American Conferences, we collected data from five individual institutions. Of 541 football and basketball scholarship athletes at these institutions, 102 (19 percent) received Pell Grants. These 102 athletes received $122,553 in Pell Grants, or an average award of $1,202.

Table 3: Other Selected Institutions' Football and Basketball Scholarship Athletes Who Received Pell Grants
(School Year 1984-85)

Institution	Percent of scholarship athletes who received Pell Grants	Average grant amount
Pennsylvania State University	29	$ 996
Iowa State University	24	1,299
University of California at Los Angeles	23	1,355
Notre Dame University	15	1,186
University of Texas	4	1,356

EFFECT OF NEW REQUIREMENTS AND CLOSER MONITORING OF ACADEMIC PROGRESS OF ATHLETES

The NCAA and the Big Ten Conference have recently begun emphasizing more stringent admission criteria and tighter academic progress requirements for athletes. These changes are intended to improve athletes' academic preparation, which should lead to higher grade point averages (GPAs) and graduation rates. Because of these changes, academic success rates for athletes in the 3 years selected for analysis may be different from those of athletes entering in recent and future years, and the results of comparisons of the success of athletes and nonathletes based on past years may not accurately predict differences in future success rates.

Since August 1, 1986, the NCAA has required more stringent admission criteria for freshmen athletes participating in intercollegiate sports at all Division I member institutions. For example, before 1986, the NCAA required college freshmen, in order to be eligible to participate in intercollegiate sports, to maintain a cumulative 2.0 GPA in college. Under the new rules, entering freshmen athletes must have achieved a minimum high school GPA of 2.0 in a core curriculum of at least 11 academic courses, including at least 3 years of English, 2 years of mathematics, 2 years of social science, and 2 years of natural or physical science (including at least one laboratory course). In addition, the NCAA began requiring minimum college entrance test scores for freshman athletes (a combined verbal and math score of 700 on the Scholastic Aptitude Test or a composite score of 15 on the American College Testing examination).

Also, in order for an athlete to maintain his or her eligibility, the Big Ten Conference requires that the minimum GPAs shown in table 4 must be maintained and that a certain number of credits must be completed at the beginning of each year. (The NCAA limits athletic eligibility to 4 years, but allows financial assistance to such athletes for 5 years.) The conference also requires that the school must certify that the athlete is making academic progress toward a degree. These requirements were in effect for the years we would study. However, the GPA requirements were made more stringent in 1983. The more stringent GPA requirements were intended to improve the academic success rates of future athletes. Therefore, results from a comparative study of academic success rates of past athletes and nonathletes may not give an accurate picture of the current situation and future trends.

Table 4: Big Ten Conference Grade Point and Credits Earned Requirements

Beginning of school year	Cumulative grade point requirements		Credits earned requirements (semester/quarter)
	Before 8/83	After 8/83	
Second	1.65	1.70	24/36
Third	1.75	1.85	51/77
Fourth	1.85	2.00	78/117
Fifth	1.95	2.00	105/158

MSU officials stated that their athletes are subject to more extensive monitoring of academic progress than other MSU students. According to the officials, their academic progress is monitored by the athletic department, registrar's office, financial aid office, and academic counseling office. Each department has a specific function to ensure the athlete is maintaining academic progress toward a degree.

FEASIBILITY OF FURTHER WORK

A sound and defensible study of the academic success of federally aided athletes, which would require collecting and comparing demographic and academic data for both athletes and nonathletes who receive federal aid, would be time-consuming and difficult and would likely yield ambiguous results. At MSU, we found that information required for such an analysis was available on both groups. However, the data are not centralized and would require a review of files on all federal financial aid recipients in order to select nonathletes who have characteristics similar to those of the athletes. Furthermore, because the federally aided athlete population in football and basketball is so small, it is unlikely that any real statistically significant differences that might exist between the two groups could be detected. As a result, we would be unable, for example, to develop any meaningful conclusions about differing academic success of athletes receiving federal aid and nonathletes receiving federal aid.

Elements of the research design

To attempt to draw conclusions on the academic success of athletes receiving federal aid, we would need to construct a comparison group of nonathletes receiving such aid. Specifically, we would need to compare freshmen nonathletes who entered the university during a period of about 3 years to a group of freshmen athletes who entered during those same 3 years and track their academic careers. A 3-year comparison would have to be used to ensure that any 1 year selected was not atypical. We would identify those nonathletes receiving federal aid who entered the university during each of the 3 years who have comparable demographic and academic characteristics to the athletes who

entered at the same time. After this selection was made, we would track the academic progress of the two groups. Academic progress would be measured by such things as academic credits attempted and gained over years of attendance and GPAs, in addition to graduation rates. Multiple measures of academic progress would be necessary in order to achieve a more complete picture of success in school than only using graduation rates.

For example, MSU has a total of 12,000 freshmen, sophomores, juniors, seniors, and fifth-year students receiving federal financial aid. Of these, MSU officials estimate that 3,000 freshmen receive some type of federal financial aid. It is from this group of 3,000 that the freshmen athletes would be identified. We would do this using certain demographic characteristics, such as race, sex, family income, high school GPA, and Scholastic Aptitude Test or American College Testing examination results. Once the indicators for the athletes are developed, a group of nonathletes with comparable indicators would be developed from the 3,000 freshmen who receive federal financial aid.

After identifying the athletes and the comparison group of nonathletes, we would gather student data on academic progress and financial aid to construct a record of each student's academic career from date of admission through graduation. Developing and tracking information on the small population of football and basketball players receiving federal aid for the 3 selected freshmen years would not be difficult. However, assembling information on the nonathletes would require gathering information from two data sources--the student master record file, which contains demographic and academic data, and the financial aid file, which contains the student's financial aid history.

Data and methodological difficulties

At MSU the data from the financial aid file and the student master record are stored on two different computer systems that do not include all information found in the paper files. One system contains data from the student's master record, and the other contains data on the student's financial aid history. The data on each system are maintained by academic term, and MSU has four terms for each academic year. To obtain information from these two systems for 1 year would require extracting data from eight tape files. According to MSU officials, not all data elements are transferred from the paper files to the computerized files. Specifically, some of the demographic data we would need to develop our comparison group may not be on the data tapes and would require us to access this information from the manual files.

MSU maintains cumulative paper student master and financial aid files. The student master record files are maintained indefinitely and would be available for the years we select, and according to school officials, the financial aid files are retained

for at least 6 years in accordance with federal retention laws. If these files are destroyed at the end of 6 years, we would not be able to obtain cumulative financial aid information from the paper files for students who entered during the first year of the 3-year period of entering freshmen selected for our study.

Finally, at MSU the number of freshmen football and basketball players receiving federal aid in addition to their athletic scholarships was very small. In school year 1979-80, there were eight such freshmen football and basketball players, and in school year 1980-81, there were six. To have confidence that differences between the two groups are detected, we would need a substantially higher number of federally aided student athletes. For example, assume that the universe of athletes graduate after 5 years at a rate of 40 percent and nonathletes graduate at a rate of 50 percent. In order to be 80 percent confident that a significant statistical difference is detected, we would need a minimum sample of 426 athletes.

CONCLUSIONS

To determine the extent to which federal funds provided to scholarship athletes are being used to support academic versus athletic efforts, a study would need to be conducted comparing the academic success of such athletes with that of federally aided nonathletes. In our opinion, such a study--which would be time-consuming and difficult--is not warranted because (1) relatively little federal aid is provided to this group of students, (2) a study of this nature would not likely yield meaningful results because of methodological limitations caused by the small number of federally aided athletes, and (3) athletic eligibility requirements are currently being changed by the NCAA and individual conferences and institutions.

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