

cases, it is sent directly to the student, in others it's sent to the university and the student draws down from that until the amount is gone. The NCAA says that the maximum amount that a player on scholarship can receive from the Pell Grant is \$1,400. They said, based on what Senator McFarland told us, that next year or two years from now, whenever it is, they will be allowed to receive \$1,700 of that amount and the Pell Grant total will be raised from 21 to 23 hundred dollars. So if the schools are, in fact, giving the player the full amount of the Pell Grant, there is no need to have a \$1,400 cap imposed by an NCAA rule. Why have a cap on the amount they can receive if they're, in fact, receiving the full amount?

SENATOR BEYER: Yeah, but if they take that money and put it back into a scholarship fund to help more, that's kind of my understanding of what's going on with that money, that it's going back into a scholarship fund.

SENATOR CHAMBERS: But it's not...but under the federal requirements it's not to go into a scholarship fund to help others, it's to go directly to the student who qualifies for that amount. So if it's used for any other purpose, whether a scholarship fund to help others or the administration and operation of the athletic department, it violates the federal rules and this is what the Department of Education wants to look at, the U.S. Department. And they have investigators, they can get all the documents, they can conduct audits and they can find out what the real circumstance is. And, based on that being possible, I had said I would accept the story that the university gave in their letter to Senator McFarland, that they start the student's aid package from the point of the \$2,100 Pell Grant...

SENATOR BEYER: Uh-huh.

SENATOR CHAMBERS: ...in disregard of the \$1,400 cap that the NCAA puts on it, and they build from that. There are others who will look to see exactly what is being done there. But when we get to the nonrecruited...or the recruited nonathlete, there is no question that they denied them aid, period. They have to agree to give up the aid that they're entitled to receive as a condition of participating in the program and that is the part that, beyond question, is discriminatory and unfair. They have established that they're needy, in the first place. Being needy and least able to bear this kind of discrimination, the