

comprehensive than that already provided in section 485(e)(8) of the HEA. Therefore, in the interest of consistency, the Secretary will retain that definition for these purposes.

*Changes:* A new § 668.48(b)(1) is added to clarify the definition of athletically-related student aid incorporating the language of section 485(e)(8) of the HEA.

*Comments:* One commenter agreed that the statute requires that separate reports of athletically-related student aid be made for male and female teams overall.

*Discussion:* The Secretary appreciates the commenter's support for this interpretation of the statute.

*Changes:* None.

*Comments:* Several commenters supported the inclusion of scholarships for students on medical waivers in the report of athletically-related student aid. Several supported the inclusion of these scholarships if they are still awarded through the athletics department. One commenter opposed the inclusion of these scholarships, on the grounds that the character of the aid changes once the student ceases to be a participant on a team.

*Discussion:* The Secretary agrees with those commenters who interpret the statute to include these scholarships as part of athletically-related student aid. The Secretary believes these scholarships continue to retain the character of "athletically-related" assistance.

*Changes:* None.

*Comments:* Several commenters strongly urged that a definition of recruiting expenses be promulgated, arguing that a standard definition is essential to ensuring comparability and to revealing the true commitment of an institution to gender equity. Some of these commenters maintained that such a definition should include a wide scope of expenses, including expenses for literature and videotapes, telephone and travel, campus visitations, and other expenses related to the purpose of persuading a recruit to attend the institution. One of these commenters also argued that the number of letters of intent offered and the terms of these letters be disclosed. One commenter recommended that the value of "trade-outs" (goods and services provided by businesses in exchange for advertising or other services provided by the institution) used for recruiting purposes be reported, since often a disproportionate number of these go to men's teams, which artificially lowers their overall official expenses. One commenter believed that a definition of recruiting expenses, possibly based on

NCAA-allowed recruiting practices, would be useful.

Several institutions stated that their recruiting expenses were negligible, and that these reporting requirements would be unduly burdensome. They argued that in some cases the cost of reporting expenditures on recruiting would exceed those expenditures. One of these commenters urged that these requirements be limited to the larger programs. One commenter disclosed that his institution does not track recruiting expenditures, those expenditures being incurred for the most part in the form of telephone calls and letters. One commenter stated that such expenditures will depend on the sport, and thus are not comparable across sports. This commenter also questioned the relevance of this requirement to the intent of the statute.

*Discussion:* The statute requires institutions to report all expenses they incur for recruiting. The Secretary defines these expenses to include, but does not limit them to, the following items: expenditures for transportation, lodging, and meals for both recruits and institutional personnel engaged in recruiting; all expenditures for on-site visits; and all other related expenses, such as those incurred for printing recruiting materials, creating recruiting videos, and mass mailings. The Secretary believes that these and all other expenses logically related to recruiting activities must be reported. In the interest of clear and accurate reporting, the Secretary expects institutions to provide an explanation of how they derived the data on recruiting expenses they report and to disclose the list of expenses on which they base the figures they report as recruiting expenses. The optional form provides a space for institutions to provide this information.

The Secretary agrees that, to balance burden appropriately with the statutory requirement to collect data, institutions need not, for example, trace every telephone call or every postage stamp. The Secretary will allow schools to make a reasonable estimate of actual expenses for such items as telephone usage and postage if those expenses cannot readily be separated from telephone and postage charges incurred for other purposes.

The Secretary also believes that an accurate accounting of recruiting expenses would include an estimate of the value of trade-outs used in the respective recruiting of male and female athletes.

*Changes:* A new section 668.48(b)(4) has been added to clarify the definition

of recruiting expenses for purposes of this section only.

*Comments:* Several commenters recommended the Secretary use the definition of "total annual revenues" in § 668.14 of the Student Assistance General Provisions regulations. One commenter recommended that fund-raising dollars be included in the determination of male and female athletic revenues.

*Discussion:* The Secretary agrees with the commenters that institutions must use the definition of total revenues found in § 668.14(e)(1)-(2), and interprets this definition to include revenues derived from fund-raising activities.

*Changes:* None.

*Comments:* One commenter urged that all types of compensation, including bonuses and benefits, be included in the calculation of a coach's salary. Several commenters supported the use of W-2 forms for purposes of salary calculation. One of these commenters noted that this method would capture all benefits without the necessity of doing additional calculations. One commenter urged that years of experience be listed along with salaries, because this is (or should be) an important component in the awarding of salary. This commenter also questioned the relevance of this requirement to the intent of the statute.

One commenter urged that income derived from shoe and television contracts be included in the calculation of a coach's salary. This commenter noted that this is important because these contracts are a factor in the large discrepancies existing between male and female coaches' salaries at NCAA Division I and II institutions. One commenter recommended that shoe and television contracts not be included in salary calculations, since these are revenue sources that are not derived from the institution or institutional property, but that revenue from summer sports camps held at the institution be included.

One commenter recommended that NCAA categories be used in the calculation of salaries, and that these should include funds provided by booster organizations.

*Discussion:* In requiring the disclosure of "institutional salary," the Secretary interprets the statute as obligating institutions to report all wages and bonuses the institution pays a coach as compensation attributable to coaching. To meet these reporting requirements, an institution may base its report on a coach's W-2 form, so long as that document contains information conforming to the Secretary's