

# *Issues in Collegiate Athletics*

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# What is the NCAA?

- The NCAA is a member-led organization dedicated to the well-being and lifelong success of college athletes.



- Nearly **half a million** college athletes make up the **19,750** teams that send more than **52,500** participants to compete each year in the NCAA's **90** championships in **24** sports across **3** divisions.



# Where does the revenue come from?

- Approximately \$1 billion in revenue comes from two primary sources.





**\$216.6M**

**Sport sponsorship and scholarship funds**

Distributed to Division I schools to help fund NCAA sports and provide scholarships for college athletes.

**\$164.7M**

**Division I basketball performance fund**

Distributed to Division I conferences and independent schools based on their performance in the men's basketball tournament over a rolling six-year period. The money is used to fund NCAA sports and provide scholarships for college athletes.

**\$103.4M**

**Division I championships**

Provides college athletes the opportunity to compete for a championship and includes support for team travel, food and lodging.

**\$84.5M**

**Student assistance fund**

Distributed to Division I student-athletes for essential needs that arise during their time in college.

**\$74.4M**

**Student-athlete services and championship support**

Includes funding for catastrophic injury insurance, drug testing, student-athlete leadership programs, NCAA postgraduate scholarships and additional Association-wide championships support.

**\$52M**

**Division I equal conference fund**

Distributed equally among Division I basketball-playing conferences that meet athletic and academic standards to play in the men's basketball tournament. The money is used to fund NCAA sports and provide scholarships for college athletes.

**\$48M**

**Academic enhancement fund**

Distributed to Division I schools to assist with academic programs and services.

**\$41.8M**

**Division II allocation**

Funds championships, grants and other initiatives for Division II college athletes.

**\$41.4M**

**Membership support services**

Covers costs related to NCAA governance committees and the annual NCAA Convention.

**\$32.3M**

**Division III allocation**

Funds championships, grants and other initiatives for Division III college athletes.

**\$9.7M**

**Division I conference grants**

Distributed to Division I conferences for programs that enhance officiating, compliance, minority opportunities and more.

**\$3.4M**

**Educational programs**

Supports various educational services for members to help prepare student-athletes for life, including the Women Coaches Academy, the Emerging Leaders Seminars and the Pathway Program.

**\$88.3M**

**Other Association-wide expenses**

Includes support for Association-wide legal services, communications and business insurance.

**\$43.4M**

**General and administrative expenses**

Funds the day-to-day operations of the NCAA national office, including administrative and financial services, information technology and facilities management.



# Student-Athlete Name, Image and Likeness

- October 29, 2019, the NCAA Board of Governors voted unanimously to permit student-athletes the opportunity to benefit from the use of their name, image and likeness in a manner consistent with the collegiate model.



# NCAA Board of Governors Actions

- The Board of Governors directed each of the three divisions to immediately begin considering modification and modernization of relevant NCAA bylaws and rules in harmony with the following principles and guidelines:
  - Assure student-athletes are **treated similarly to nonathlete students** unless a compelling reason exists to differentiate.
  - Maintain the **priorities of education and the collegiate experience** to provide opportunities for student-athlete success.
  - Ensure rules are transparent, focused and enforceable and facilitate **fair and balanced competition**.





# NCAA Board of Governors Actions ctd.

- Make clear the distinction between collegiate and professional opportunities.
- Make clear that compensation for athletics performance or participation is impermissible.
- Reaffirm that student-athletes are students first and not employees of the university.
- Enhance principles of diversity, inclusion and gender equity.
- Protect the recruiting environment and prohibit inducements to select, remain at, or transfer to a specific institution.



# NCAA Stance

- **Non-Negotiables:**
  - No payment for participation
  - Not employees
  - No actions to undermine diversity, inclusion and equity
- **Preferred Outcomes:**
  - Federal Solution
  - Anti-Trust Exemption
  - Protect NCAA Governance
    - Protect the authority to develop, implement and enforce rules





# Concerns

- Protecting the collegiate model and the educational opportunities
- Balancing schedules (academics, athletics and entrepreneurship), recruiting, competitive equity
- Agent/Representative misconduct/abuse/malpractice
- Financial impact
- Federal oversight/over-reaching
- Equitable monitoring and enforcement
- Approximately 13 states could adopt laws concerning name, image and likeness that become effective this year.



# Unintended Consequences

- Sponsorship/budget impact
- Shoe and apparel companies
  - School-wide vs. individual deals
- Gambling impact
- Student playing students (“college eligible”)
- Recruiting
  - Influence of prospective student-athletes
  - Earning potential
- Title IX



# *Legalized Gambling in Virginia*





# Murphy v. NCAA (2018)

- New Jersey passed law allowing intrastate sports betting, in direct violation of federal Professional and Amateur Sports Protection Act (PASPA)
- Professional sports leagues sought to enjoin New Jersey law, citing conflict with federal law
- Supreme Court upheld New Jersey law, finding that PASPA “impermissibly commandeered the regulatory power reserved to the states” in the 10<sup>th</sup> Amendment
- Alito: “Congress can regulate sports gambling directly, but if it elects not to do so, each state is free to act on its own.”



# Significance of Murphy

- States now able to pass laws legalizing intrastate gambling, including betting on professional and college sports
  - Many states have now legalizing betting on college sports
  - Proponents cite revenue potential
- Congress considering legislation that would regulate betting nationwide
  - Individual conduct would be restricted, not state action
  - Consistent with power to regulate interstate commerce
  - **These bills have not and are not expected to be considered, enacted in this Congress**



# Virginia General Assembly

- 2019 – General Assembly commissioned study of possible legalization of intrastate gaming by Joint Legislative Audit and Review Commission (JLARC)
  - President Ryan circulated letter to all college Presidents in Virginia, expressing strong opposition to legalized gambling on college sports
  - JLARC report issued in 12/19, noting Presidents' opposition to betting on college sports
- 2020 – Several bills introduced in General Assembly
  - Strong bipartisan support for legalization
  - Attempt to “carve-out” betting on events involving Virginia colleges and universities





# HB 896 – Online Gaming

- Allows on-line wagering on professional and college sports.
- Specifically allows all manner of sports wagering, including single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-gamer wagering, in-play bets, proposition bets and straight bets.
- Individual bettor must be physically located in Virginia to participate in sports betting.



# HB 896 – Online Gaming

- “Sports Betting” **DOES NOT** include placing a wager on a college sports event when a Virginia public or private institution is participation. **All types of betting are prohibited on sporting events in which one of the participants is a Virginia public or private college.**
- Tier II betting is defined as a bet placed via the internet after the event has started. **Tier II betting is prohibited on all college sports.**
- Wagering on youth sports is prohibited.
- Athletic Department personnel are prohibited from engaging in sports betting.



# SB 384 – Online Gaming

- Allows wagering on professional and college sports.
- Defines “Sports Betting” as placing wagers on professional sports, college sports and sporting events. Specifically, lists single-game bets, teaser bets, parlays, over-under, moneyline, pools, exchange wagering, in-gamer wagering, in-play bets, proposition bets and straight bets as examples.
- “Sports Betting” **DOES NOT PRECLUDE** wagering on events in which Virginia schools are participating.





# SB 384 – Online Gaming

- Individual betting must be physically located in Virginia to participate in sports betting.
- Defines Tier I betting as a wager placed via the internet that is not a Tier II bet. Tier II betting is defined as a bet placed via the internet after the event has started. No prohibition on Tier I nor Tier II betting.
- Athletic Department personnel are prohibited from engaging in sports betting.



# HB 4 – Casino Gaming

- Allows wagering on professional and college sports.
- No prohibition against wagering on Virginia colleges. College sports defined but never explicitly addressed thereafter.
- No prohibition against current or future online betting.
- Remote betting is prohibited.
- Wagering on youth sports is prohibited.



# SB 36 – Casino Gaming

- Allows wagering on professional and college sports.
- No prohibition against wagering on Virginia colleges. College sports defined but never explicitly addressed thereafter.
- No prohibition against current or future online betting.
- Remote betting is prohibited.
- Wagering on youth sports is prohibited.





# Status of Virginia Gaming Bills

- Online Gaming
  - HB 896 conformed to SB 384, sent to conference
  - Working with conferees to ensure House carve-out for betting on Virginia college sports is included in final bill.
- Casino Gaming
  - Neither house nor Senate bill has carve-out for betting on Virginia college sports
  - Working with Senator Hanger, other conferees to insert in final bill.

