12/19/24; The price of paying college athletes

[HALF SECOND OF SILENCE]

[BILLBOARD]

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SEAN RAMESWARAM (host): With playoffs kicking off Friday, it’s a bigger than usual week for college football. But it’s also been a huge year. College athletes have been getting PAID.

*<CLIP> The Pat McAfee Show: Arch Manning, $3.1mill? I believe.*

*<CLIP> That SEC Football Podcast: There’s an athlete currently a high school prospect, unnamed, apparently getting an $8 million N.I.L. deal*

*<CLIP> Najeh Wilkins: So I got to talk about Cam Ward, man. A $2million deal with Adidas.*

SEAN: The biggest deal of the year was a whopping ten million dollars, reportedly paid out to quarterback Bryce Underwood to change his commitment from LSU to Michigan. But what’s kinda weird about these deals is that the schools aren’t necessarily the ones paying out. Bryce’s millions apparently came, at least partly, from the tech billionaire Larry Ellison? All because his fifth wife went to the University of Michigan?

SCORING OUT

SEAN: We’re gonna figure out what’s going on in college sports on *Today, Explained*.

[THEME]

*HADY MAWAJDEH AS STADIUM ANNOUNCER: And now, let's hear it for the world's greatest daily news podcast -- TODAY, EXPLAINED!*

SEAN: College athletes are getting paid. At least some of them. At least some of them are getting huge paydays. But the money isn’t coming directly from their schools. It’s a kinda confusing situation, and it all boils down to something called “Name, Image, and Likeness” or “N.I.L.”

JP ACOSTA (FOOTBALL WRITER, SB NATION): It is a way for college football and college student athletes to make money off of their name, their image or their likeness. An example of that would be the new video game that came out for college football 25. Every player that was in that game that is currently an athlete in college football got $600 because their name, image and likeness was used in the game.

SEAN: But some athletes, the really good ones, are able to make way more money. Because of slush funds that college athletic programs have at their disposal. We reached out to JP Acosta from SB Nation to help us understand. And we started with the NCAA.

JP: I think at the crux of it all, the main point behind this is that the NCAA and most of their respective universities did not want to call student athletes employees.

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JP: Calling them employees required them being paid by the university.

*<CLIP> Outside the Lines:*

*Reporter at conference: the idea of athletes being paid, do you think that will ever happen at the NCAA level?*

*Mark Emmert: no it will not happen. Not while I'm president of the NCAA.*

JP: They have spent years fighting the fact that college football and college student athletes are employees.

*<CLIP> Outside the Lines, Mark Emmert: We provide students with access to education. And we provide them with the cost of tuition fees, room, board, books and supplies. And there’s not even a salary to debate. They’re not employees. They’re students.*

JP: While they've been fighting this battle in court, name, image and likeness kind of slipped in through a loophole because it is a third party. So technically, these boosters that provide the name, image and likeness deals that you see a lot of, that comes from a booster who is not being paid by the university but is affiliated with the university to help get this player to either go to their university or stay at their university. So it's kind of been a loophole around ‘Oh the, student athletes aren’t employees. We're going to keep fighting this in court.’ But name, image and likeness allows for a little bit of a side road to get to paying the players.

SCORING OUT

SEAN: Okay. So now I think we have to explain where this money is coming from. This, this $10 million that went to a University of Michigan football player. It didn't come from the University of Michigan?

JP: No, it technically does not come from the University of Michigan. The biggest example of this I would point to is the University of Arkansas. The University of Arkansas, their biggest donor and their biggest booster is the founder of Tyson's Chicken Nuggets.

SEAN: What?! <laughs>

*<CLIP> @hogsplus, John Tyson: Everybody out there, we need N.I.L. money. Okay?! Let’s get this on the record, I didn't write a big check for N.I.L.. That’s, that’s a mis– but I did help, like a lot of families coming in, you put money into the foundation.*

JP: Tyson's Nuggets is an Arkansas alumnus.

SEAN: Oh!

JP: Jerry Jones, the owner of the Dallas Cowboys, is an Arkansas alumni.

*<CLIP> Aaron Torres: Jerry Jones is reportedly offering double whatever Kentucky commits were set to make. Jerry Jones has basically, essentially said if you need money, i’m here to give it.*

JP: Every year I think Arkansas plays a game in the Dallas Cowboys Stadium because Jerry Jones wants to see his alma mater play in his stadium. They spent $1 billion on…

SEAN: Mmmmm.

JP: So what this owner, founder of Tyson, can do is with all the money that he has, he can help give a player money to either get him to come to Arkansas or he can get a player to stay at Arkansas through name, image and likeness and they will get paid via the collectives.

SEAN: Huh. And is it like happening above board? Are these happening, like, in dark, shadowy rooms with, like, you know, low lighting and and, you know, grime or something? <chortles>

JP: It used to be the latter. It was very under the table.

*<CLIP> ESPN College Football: the ncaa investigated saying Bush and his family received improper perks like free housing. Eventually leveling harsh sanctions on usc.*

*<CLIP> club shay shay, johnny manziel*

*Shannon Sharpe: Well, it's reported that Johnny Manzel signed 5– 4,000 items and this*

*and that–*

*Johnny Manziel: Allegedly*

*Sharpe: allegedly Allegedly Johnny signed 4,000 items for free*

*<CLIP> club shay shay, cam newton:*

*Shannon Sharpe: and then there's this Auburn bought Cam Newton his daddy received this large monetary sum of money…*

*Cam Newton:yeah*

*Sharpe: how what would so so what's going on how did this come about*

*Cam Newton: Allegedly*

JP: Now, with N.I.L. being legal, everything is over the table. All the deals that were being made under the table can now be made over.

SEAN: Now that people have figured this out, how do you think it's changing college sports or is it?

JP: I think it's definitely changing college sports in multiple ways, both good and bad.

SCORING IN <KPM\_KPM\_2219\_00701\_Parts\_in\_Motion\_\_a\_\_APM>

JP: I think N.I.L. has worked with the transfer portal, which allows players to go to whatever school they would like as they please. Of course, the big schools with the most money are still going to be able to pay more players, but you're more likely to keep a good player around at your program if you have a good booster program. If you have a good N.I.L. collective, a big example of that would be Ashton Jeanty, Boise State's running back, won the Doak Walker Award,

*<CLIP> Bleacher Report, Top Plays of the 2024 College Football Season*

*Announcer 1: Ashton Jeanty BREAKS FREE!*

*<CLIP> Bleacher Report*

*Announcer: Here’s Jeanty, patient run, breaks the tackle, picks up the first down, and he’s in for the touchdown!*

JP: He had an option after his sophomore year to go to a bigger school and get more money from other big schools. But because Boise State's N.I.L. was able to get him compensated, well, he's able to stay.

*<CLIP> ESPN College Football, Ashton Jeanty: this is exactly why i wanted to stay at Boise state. Because I knew that everything I wanted to accomplish would be possible at Boise.*

JP: And Boise State's in the College Football Playoff for the first time.

SEAN: Hm.

JP: So it's kind of those things where N.I.L. has helped create a little bit of parity at the college level. And I think that is a very good thing.

SCORING OUT

JP: Now, the problem with N.I.L. is, there is no federal regulation on it.   
  
SEAN: Hm.   
  
JP: There is no NCAA laws on N.I.L.. Every state has their own separate laws. So what might work in Florida won't work in Arizona, won't work in California. And what's happening is, with N.I.L. all these boosters and collectives, they can fundraise major amounts of money. If you have a strong enough and a big enough booster fan base, you can raise $20 million to go get yourself an entirely new roster filled with some of the best players. All of these big all these big schools with these big powerful alumni, can use that money to pay for players to come to their school. And it kind of leaves the smaller schools to dry a little bit. We talked about Ashton Jeanty with Boise State. That is the good example. The bad example is every other group of five, every other small school that doesn't have that big of an alumni base, it doesn't have a lot of money, are losing their good players to the portal every year.

SEAN: Which makes, I guess, college sports feel a little bit more like pro sports, where the biggest teams like the New York Mets or the Yankees or the Dodgers get to buy up the best players.

JP: Yes, exactly. It feels like there is no salary cap right now with name, image and likeness, which is what baseball sees with the Mets and the Yankees and the Dodgers, because they can give out that money compared to a team that's a little smaller they really can’t. Because while Alabama might have 20, $30 million to hand out to a recruit, a school like my alma mater, FAU, might only have $20 million, even less than that to give out to the entire team. So you see kind of the, the economic imbalances that we see between the power, the big schools and the small schools.

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JP: But where we're also seeing a change is this is an added level to what's happening with N.I.L. is in 2025, college sports will begin revenue sharing, which means up to 20% of what a school brings in in revenue has to be saved for players. And it feels like the bigger schools are just going to keep getting more top heavy and being able to pay players a whole lot more. So you just naturally get all the talent funneling into like ten schools tops.

SCORING BUMP  
  
SEAN: JP Acosta. SB NATION dot com.

When *Today, Explained* returns, we’re gonna find out why we’re letting college sports turn into something that looks a lot like professional sports.

[BREAK]

[BUMPER]

*HADY MAWAJDEH AS STADIUM ANNOUNCER: alright, it's time for the second half... let's hear it for Today, Explained!*

SEAN: *Today, Explained* is back and we’re joined by:

PABLO TORRE (HOST, PABLO FINDS OUT): Pablo Torre, the host of *Pablo Torre Finds Out* a show that is technically a sports show where I use journalism to solve mysteries, arguably.

SEAN: Pablo’s done a half-dozen or so shows about Name, Image, and Likeness about a half dozen times on his show, so we asked him over to ours to help us understand how college sports ended up looking a lot like pro sports this year.

PABLO: The NCAA, I think, has realized that they have already lost the philosophical argument that allowed the NCAA to regulate pay, which is to say, restrict pay.

SEAN: Mm.

PABLO: And the argument that has been made literally at the highest court in the land successfully by people who sued the NCAA. I could not have been clearer.

*<*[*CLIP*](https://www.supremecourt.gov/oral_arguments/audio/2020/20-512)*> National Collegiate Athletic Assn. v. Alston, Chief Justice John Roberts:*

*Thank you counsel, this case has been submitted.*

PABLO: Sean, there just aren't many things that both sides of the political aisle agree on anymore. Maybe you hadn't heard America is a divided place,   
  
SEAN: Aah! <laughs>

PABLO: But you have that Supreme Court in a nine no decision in the Alston verdict, as well as in every hearing you can check in on, you have Republicans and Democrats both wondering the NCAA, What do you do here?

SEAN: Mmm

PABLO: And why do you need to be here anymore?

*<CLIP> National Collegiate Athletic Assn. v. Alston, STEPHEN BREYER: What is it precisely that you are complaining about in this court?*

PABLO: And so when it comes to what the NCAA is allowing, they're really, they're really fighting for a purpose that doesn't really exist.

SEAN: Mm.

PABLO: So when you say, okay, but now the NCAA is allowing Larry Ellison, the billionaire Michigan booster, to be a billionaire Michigan booster on the books this time, and fund these $10 million quarterback contracts, What they're really doing is saying, ‘Okay, I guess we can't stop this. And now we got to be the person who is basically signing off on it?’

SEAN: Huh.

PABLO: Because that is the closest thing to regulation that they can be is basically rubber stamping as opposed to being sheriffs who are throwing people into the equivalent of college sports jail.

SEAN: Do they have any other play here or is it just sort of rubber stamping? Are they quietly trying to fight this change in college sports?

PABLO: Well, the fight that they really are waging is in Washington, D.C.

SCORING IN <Here\_s The Plan>

PABLO: And the president of the NCAA to play now is a guy named Charlie Baker, who used to be himself a politician. And he was chosen because he was seen to be better at the art of retail politics. Let's call it glad handing senators, going to Congress and making an argument that actually what the NCAA needs to save college sports as you love them is an antitrust exemption.

*<CLIP> Committee on Energy and Commerce, Democratic, Baker: Congresswoman Dengle talked about the fact that at the end of the day here, whatever we do here needs to work for all of college sports. I agree with that. I don't think employment works for all of college sports. And I think the math - in this particular case - is pretty clear.*

PABLO: That is the Hail Mary. And I use that knowing all of the what that means in the sports context when in case you don't know, it means you're fucked. And you have one last hope.

SEAN: Uh-huh.

PABLO: And that last hope is allow college sports to regulate itself free from the regulations of government.

SEAN: Huh!

PABLO: You know, we don't need to act. Well, what they're arguing is we should be treated as special, not as a normal business, but as a civic institution with priorities and principles that are so important that we should be able to operate effectively as a monopoly …

*<CLIP>Committee on Energy and Commerce, Democratic, Baker: college sports is uniquely American and one of the most powerful human development programs anywhere in the world.*

PABLO: … which is, of course, a funny thing to have to admit finally, But they realize that that's the only hope left to prevent what is coming to them, which is capitalism tearing apart the principles and practices that they always claimed were, were sacred.

SCORING OUT

SEAN: So tell us what that would mean just in practical terms for college sports. If they had an antitrust exemption, if they were allowed to be a monopoly.

PABLO: Yeah. If the NCAA gets this Hail Mary to pass, which is the antitrust exemption, they would be allowed to dictate what amount of their revenue they want to share with athletes. They would allow they would be allowed to have these players still be called student athletes, which means, by the way, they wouldn't be employees, which means, by the way, that they wouldn't have the rights that workers in America would otherwise get. And, you know, beyond that, I think they're still figuring it out. But they're really trying to say allow us to dictate the terms of our own existence at a time when their existence is obviously in peril.

SEAN: So what impact would this monopolistic exception have on name, image and likeness rights, on these $10 million deals?

PABLO: So I don't think it would be rolled back because we've gone too far and because the NCAA has already said that part of what they're willing to cooperate with is the notion of these deals being marketing deals.

SEAN: huh.

PABLO: But marketing, Sean, is a half measure, right? It's a radical half measure because money was not allowed to go into players pockets for for the reasons that the NCAA has long argued about them being students and not employees. But the next step, the step that is really the existential crisis is what they call pay to play, which means we are paying you because you are a person we want on our team, an employee we want on our team. And you are not paid for your image. You're paid for your performance. And that's the bridge they're trying not to cross. And so N.I.L. could coexist in theory if this antitrust exemption is granted, but it's the bigger threat of pay to play that they're really trying to stave off.

SEAN: Okay. And do you think they'll be able to win over Congress? Is there bipartisan support for this antitrust exemption?

PABLO: There is no indication so far that there would be support for this. Again, Congress seems pretty busy these days. I don't know if there is energy politically for it because the NCAA is so universally or near universally disliked that I don't see this having the juice if you're a politician among any given constituency.

SEAN: huh

PABLO: Everybody, whether it's Alabama, whether it's Ohio, whether it's California, whether it's Florida, everybody. If you ask a college football fan, a college sports fan has a tale of how the NCAA did them wrong.

SEAN: <laughs>

PABLO: They don't poll well. And so when you see, by the way, conservative justices at the Supreme Court like Brett Kavanaugh, really pillory the NCAA way in the way that you'd imagine the most left leaning judge would. It's incredibly revealing. There is bipartisan resentment of what the NCAA currently is.

*<CLIP> National Collegiate Athletic Assn. v. Alston, BRETT KAVANAUGH: It does seem that the schools are conspiring with competitors, agreeing with competitors to pay no salaries to the workers who are making the schools billions of dollars.*

SEAN: It's funny, you know, it sounds these arguments that we're having over college sports end up replicating arguments we have politically, you know, more broadly in the United States…

PABLO: yes.

SEAN: these arguments between, you know, free market and regulation. And but what's interesting about the college sports version is that it sort of transcends the traditional political divide, right? You've got, like conservatives and progressives arguing the opposite positions in some cases. Isn't that right?

PABLO: Yeah. I mean, look, if you're a fan of college sports and you can be a left leaning fan of University of Alabama, there are lots of them out there. What you are realizing is as much as you believe in your principles of, okay, these kids are employees, creating billion dollar products should be paid as such. It is in fact criminal that they haven't been paid as such for decades now, over a century now. You're also bummed that, okay, I'm not going to get the sport that I fell in love with.

SEAN: hmm

PABLO: You know, entertainment is not the same as equity. That is something that we're going to have to reckon with. If you love college sports. And meanwhile, you look across at, you know, who's on the other side of the aisle here and realize, wait a minute, why is it that I'm in agreement with people that disagree with me on pretty much everything else?

SEAN: Yeah.

PABLO: And so that's that's also something that people are going to have to get familiar with.

SEAN: Do we know ultimately which version of the future of college sports better protects college athletes? Is it just letting the free market reign…

PABLO: hmmm

SEAN: or is it having the NCAA there to to step in when something goes too far?

PABLO: If you have the ability to take the long view of this, a longitudinal view of the evolution of college sports, from the athlete perspective, you should be concerned. I would argue that if college sports just becomes the minor leagues to a professional version of it, you are going to lose something that makes the product as compelling as it has been for over a century.

SCORING IN <Uncle Jeff of the Cosmos (trippy, resolution, light, synth, strings, cheerful, positive)>

PABLO: There is something about the sales pitch of these are college students involved in an ancient tribal warfare.

SEAN: <laughs>

PABLO: against a community that also involves the weird, you know, fiction writing professor you had once …

SEAN: Yeah.

PABLO: … and the drunk guy doing a keg stand and all of that. Right? You're at a college that is so central to why this has been popular. But at the same time, obviously, the economy of all of this has been yearning to be made free. And so, yes, it is a good thing that you are trending towards college athletes being paid more and more what they are due. But there is a point at which when your worth is also dictated by the demands of an audience of a fan base that wants you to be a certain thing and not another, and that certain thing happens to be a fictionalized version of what the job of college athlete has always been. You're going to have to reckon with a bunch of people saying, This isn't the TV show I fell in love with.

SCORING BUMP  
  
SEAN: Pable Torre! He’s got a podcast. I’ve heard it. It’s pretty dang good. It’s called Pablo Torre Finds Out. Listen wherever you listen.

Hady Mawajdeh produced today’s episode of *Today, Explained*. Amina Al-Sadi edited. Patrick Boyd and Rob Byers mixed. And Laura Bullard is pretty sure Larry Ellison has been married five and not six times like it says on Wikipedia, but holler if you’ve got any information to the contrary.

The rest of the team includes Haleema Shah, Amanda Lewellyn, Avishay Artsy, Miles Bryan, Andrea Kristinsdottir, Victoria Chamberlin, and Peter Balonon-Rosen. Matthew Collette is a supervising editor. Miranda Kennedy is executive producer. Breakmaster Cylinder has music.

Noel Noel, Noel, Noel.

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[10 SECONDS OF SILENCE]