



SMH-MUN III

Saturday, March 21, 2015

NCAA Summit Background Guide

Revolution: Demanding Progress or Endorsing Chaos?

Topic I: Should student athletes be paid like employees of their respective universities?

I. Introduction

There are over 420,000 NCAA student athletes in over 1,000 NCAA member institutions, and on average the NCAA generates over \$10.5 billion in revenue. Some large public schools such as the University of Texas even generate over \$68 million in profit through college sports, especially college football and basketball, however the student-athletes do not receive any compensation beyond scholarships. In fact, student-athletes face severe consequences for receiving any benefits for their status as athletes, including signing autographs or receiving free merchandize. Since many athletes spend close 40 hours a week on their sport, there has been much debate over whether these athletes should be paid as employees by their respective universities.

II. History of the Problem

a. Brief Timeline

January 1973: NCAA splits into three divisions. DI and DII athletes are eligible to receive scholarships but DIII athletes are not.

June 2009: A group led by former UCLA basketball player Ed O'Bannon files a lawsuit against the NCAA for the use of their images in rebroadcasts of games, DVD sales, photos, video games and memorabilia sales without receiving any compensation.

October 2011: Over 300 student-athletes sign a petition demanding a cut into the NCAA's revenue.

March 2014: National Labor Relations Board rules that Northwestern football players qualify as employees of the university and can unionize.

April 2014: Football players at Northwestern University successfully vote to unionize, forming the first union for college athletes in the nation

July 2014: Northwestern University asks full National Labor Relations Board to overturn the ruling by the NLRB Chicago regional director earlier this year that Northwestern scholarship football players are employees and may be represented by a union. NCAA files amicus curie brief supporting the university.

August 7th 2014: NCAA votes to allow 65 teams from the Big 5 power conferences—the ACC, Big 10, Big 12, Pac 12, and SEC, plus Notre Dame, a football independent, to make their own rules regarding paying athletes.

August 8th 2014: Judge Claudia Wilken rules in favor of Edward O'Bannon and declares that NCAA's limits on what major college football and men's basketball players can receive for playing sports "unreasonably restrain trade" in violation of antitrust laws.

November 2014: NCAA begins appeal of O'Bannon ruling, citing a 1984 Supreme Court case it claims protects amateurism in college sports.



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b. Consequences and Events

Due to the NCAA's recent vote in August, the Big-5 conferences will be able to offer their athletes not only a scholarship, but also additional funds covering the full cost of attendance: money for extras like food, clothing, the occasional trip to the movie theater and more. Depending on the school, this could amount to athletes receiving an additional \$2,000 to \$5,000. Although the O'Bannon case is currently undergoing the appeals process, if the ruling by Judge Wilken were to be upheld, it would be a huge victory for college athletes. The NCAA would not be able to cap the amount of a scholarship below the actual cost of attendance, and the NCAA would not be able to ban schools from creating a trust fund to pay players equal shares for use of their names, images, and likenesses. For the trust fund, the NCAA and schools would be allowed to cap the amount, at a minimum of \$5000 for every year of academic eligibility for the athlete.

****Delegate Tip: There are several potential consequences to these events; feel free to explore your own opinions.**

III. Past NCAA Action

The NCAA has repeatedly fined and suspended players for receiving additional benefits beyond scholarships, and schools have also been penalized for providing these additional benefits (most notably the USC football program providing special benefits to Heisman trophy winner Reggie Bush). The NCAA has also appealed the O'Bannon ruling and opposed the unionization by Northwestern University. There has not yet been a Summit involving the NCAA and interested parties regarding paying college athletes.

IV. Possible Solutions

- a. One possible solution is a free market system in which colleges compete for highly valued athletes by offering them contracts, similar to how NFL players are paid.
- b. Another possible solution is the Olympic model in which college athletes would receive money based on individual deals, such as endorsements or autograph signings while the NCAA would keep its broadcasting and licensing revenue without having to pay players.
- c. A final possible solution is a hybrid of the two above, involving some pay from the universities in conjunction with the Olympic model.

****Delegate Tip: There are several potential solutions; feel free to be creative!**



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V. Helpful Links

<http://www.cbssports.com/collegefootball/writer/jon-solomon/24580273/ncaa-critics-offer-ways-to-pay-college-players>

<http://www.cbssports.com/collegefootball/writer/jon-solomon/24654805/qa-what-the-obannon-ruling-means-for-the-ncaa-schools-and-athletes>

<http://time.com/3089288/ncaa-college-athletes-pay/>

<http://www.usnews.com/debate-club/should-ncaa-athletes-be-paid>

<http://grantland.com/features/northwestern-ncaa-college-athletics-union/>