

Why the NCAA Has Denied “Big-Time” Collegiate Athletes Benefits to the Contributions They Provide to the College Sport Spectacle

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There are many issues involved over whether or not collegiate athletes should receive monetary benefits from the school or university they attend. It has been an ongoing debate and has sparked a lot of attention in the sports world. People believe that athletes should be compensated for the work they do, resulting in the generation of revenue for the institution and stakeholders in corporate college sport complex. Others believe that student-athletes receive enough compensation through scholarships and other benefits from the institution within NCAA regulations. Anyone that has followed sports at all in the past decade knows that this topic would eventually rise to power and will have to be settled in time because of all the business and money associated with college sports nowadays.

The NCAA has dealt with many cases where universities have been found of violating numerous NCAA laws because of illegal acts of athletes receiving benefits from those in the community or people directly involved with the school. Since this trend of getting away with as much as you can without getting caught has now caught up to universities and is affecting their reputations and athletic programs. This has caused a movement to pay Division I players but the "golden rule" that the NCAA prides themselves on is the practice of amateurism. However, the movement among student-athletes to gain an economic stake is stronger than ever. It was reported, by George Dohrmann of Sports Illustrated, that in October of 2011, more than 300 current football and men's basketball players sent a petition to the NCAA demanding a cut of the millions of dollars in annual TV revenue from those sports. The members of the NCAA believe that it would be not fiscally possible to authorize payment to athletes. The NCAA approved a measure to allow conferences to give schools the option to boost scholarships by \$2,000 to cover the full cost of attendance, but many schools said that they either could not afford such stipends or that they would face several repercussions from their faculty and staff if they awarded them.

For the reason behind its growing popularity in today's sports news, I will discuss in this document, the core issues of the matter by explaining the main points and arguments both for and against why collegiate athletes should or should not receive benefits. There will be past and current cases brought up in the piece explaining issues that have occurred and what the result was for the cases. I will also give my own opinion on the matter and discuss possible remedies to resolve the issue.

People that believe collegiate athletes should not receive any additional benefits and they bring many valid points to back up their reasoning. One can argue that if collegiate athletes receive monetary benefits, they will no longer be considered amateur athletes, which the NCAA prides themselves on. They feel that only professional athletes deserve money, and that is what separates the status of amateur and professional. Another argument is that that out of the 320 athletic programs in Division I only a handful of them actually return a profit, and the average FBS athletic program had a \$9.44 million in operation deficit which is staggering (Zimbalist, 2011). If only a very small percentage of athletic programs can actually support themselves then where will the money come from to either pay the athletes or give them additional benefits? Who decides who gets paid or how much? Would this create an open labor market for collegiate athletes? If universities are going to give athletes money or benefits, then should they also do the same for other students like the lead actor in theater productions or the first violinist? (Zimbalist, 2011). Universities must also take into the account of Title IX, and discuss if it would be possible to give benefits to some athletes and not others. In addition to these points, many people believe that student-athletes are already compensated from scholarships and other benefits that are available within NCAA guidelines. As far as the Pell Grant goes, many football student-athletes qualify for this based on numerous factors based on the wealth of the family and

status of the student (Harris, 2011). A full Pell Grant is worth \$5,500 per year and never has to be repaid because it is a grant (Harris, 2011). This is money that may serve any purpose to students, in order for them to make it through school. Included in a Pell Grant is also \$500 in clothing allowance each year for students to buy the clothes they like. Student-athletes can buy whatever clothes they want and do not necessarily buy what they really need. The downfall to full cost scholarships is that every student-athlete can get one, not just football and basketball players (Harris, 2011). Nevertheless, the NCAA Manual has different bylaws, such as the student-athlete opportunity fund, that says each athletic department can use these funds for any additional cost not incurred in scholarships (Harris, 2011). The NCAA gives approximately \$200,000 to help student-athletes out with needs deemed acceptable by staff in the athletic department. The special assistance fund is also a form of assistance for student-athletes that does not need to be repaid and follow NCAA rules. These benefits are available to student-athletes and it is their responsibility to make sure they receive the benefits that are available to them. According to a study, the typical non-freshman Arkansas football player received the cash listed below in 2010-11:

\$5,500- Pell Grant
\$500- Clothing Fund
\$8,024- Fall and Spring Room and Board
\$3,016- Summer Room and Board
\$17,040- Grand Total
(Harris, 2011)

By seeing that it is possible for a Division I football player to actually receive over \$17,000 worth of benefits is pretty intriguing and do not forget that this does not include the money from the various funds that are acceptable under NCAA bylaws. SEC Commissioner Mike Slive once said, "I have long thought that we should revisit the limitations on the current

scholarship model and perhaps expand it to cover the full cost of attendance. I look forward to that discussion."

"Big-Time" college sports, such as football and basketball, are head count sports, which mean that student-athletes are either on a full scholarship or not on any athletic scholarship. There is no middle position (Harris, 2011). A full scholarship covers tuition, fees, books, room, and board and the added value to a scholarship such as this add up to thousands of dollars per year. However, scholarships are renewable each year up to five years while student-athletes can only compete four seasons (Harris, 2011). The head coaches can choose not to award a scholarship to a returning student-athlete at the end of each year for any reason. The calculation of the entire value of a scholarship that covers tuition, books, and fees, for a football player at the University of Arkansas for five years is approximately \$193,000 (Harris, 2011). The fifth year is calculated in just to assume the athlete was redshirted. It is often looked over by people, but most football players at Division I BCS schools have a surplus of cash each month to spend however they choose (Harris, 2011). As a result of these main points, people who oppose to offering student-athletes benefits make compelling arguments to support their opinion and belief. I will later base my opinion off of the research gathered after I explain the ideas that backup the reasoning behind those who belief that some Division I athletes should receive forms of benefits.

Those who share the belief that collegiate athletes should receive some sort of benefits or pay based upon the money they bring into a university have numerous points as to why they feel they way they do. Some of the important points and arguments behind this belief are:

1. That these athletes bring in revenues generated by the athletic program that goes to the institution from ticket sales, TV, radio, and internet rights, and licensed products, advertising and sponsorships.

2. By giving student-athletes benefits, it could alleviate point-shaving problems and other black market scandals in college sports.
3. Benefits would provide incentives for student-athletes to stay in school and earn their degree.
4. The average scholarship shortfall (out-of-pocket expenses) for each “full” scholarship athlete was approximately \$3,222.00 per player during the 2010-11 school year (Huma & Staurowsky, 2011).
5. The room and board provisions in a full scholarship leave 85% of players living on campus and 86% of players living off campus living below the federal poverty line (Huma & Staurowsky, 2011).
6. The fair market value of the average FBS football and basketball player was \$120,048 and \$265,027, respectively (Huma & Staurowsky, 2011).

These six points and facts are very interesting and can be explained with statistical information to back up the reasoning. Furthermore, the first argument is that the student-athletes bring large amounts of revenue to the university from playing a "big-time" sport such as football or basketball. The revenue that comes to the university is from ticket sales, TV, radio, and internet rights, and licensed products, advertising and sponsorships. The main reason why collegiate athletes want to receive pay or benefits is because the schools they play for receive millions of dollars for these various sectors of sports listed previously. Those in favor of these ideas also believe that players should be given the chance to have flexibility with sponsorships and endorsements. This suggests that players should be able to get endorsement deals with companies and brands to increase their personal brand as an athlete. The athletes feel as though

they should be getting a cut of what the school brings in. In 2009, the top university in ticket sales for athletics was Texas coming in at \$44.7 million (Lavigne, 2010). The school who generated the most revenue directly from TV, radio, and internet rights was Ohio State at \$15.8 million (Lavigne, 2010). By calculating these numbers and averaging it out per player, it was calculated by the National College Players Association (NCPA) determined that the fair market value of the average FBS football player was \$120,048, and the fair market value of a basketball player was \$265,027, respectively (Huma & Staurowsky, 2011). The fair market value of a football player at the University of Texas with a 45% revenue split was a staggering \$513,922 and a basketball player at Duke University is worth \$1,025,656 with 50% revenue split (Huma & Staurowsky, 2011). Fair market value is the total worth of something, in this particular case it is a collegiate athlete. To go along with these statistical facts, the room and board provisions in a full scholarship leave 85% of players living on campus and 86% of players living off campus living below the federal poverty line (Huma & Staurowsky, 2011). This fact however I believe to be debatable because of potential grants and funds from the Federal Government and the NCAA themselves. Nevertheless, these are some incredible statistics that gives players the incentive to feel as though they should be compensated or receive some forms of benefits for the duty they fulfill for their institution. There are other points that people express such as by providing benefits or pay to student-athletes which could potentially alleviate point-shaving problems and other black market scandals in college sports. Not to say that there is a large black market out there in college sports, but it could be a solution to a cut down in these illegal activities. People also argue that benefits would provide incentives for student-athletes to stay in school and graduate with a degree. The NCAA would most likely see a turnaround in graduation rates for college football and basketball players if they were paid or received benefits. If this was

the case then you would not see as many student-athletes dropping out of school to enter a draft for the professionals. The reasons and issues discussed on the topic are opinions are based off of research done and my personal experience and current knowledge of the college sports industry. I will now go through numerous cases that occurred where the NCAA found players, coaches, program representatives etc. guilty of committing violations of NCAA rules.

There have been many instances throughout the years about hearing of players receiving illegal perks and benefits just because they were "big-time" Division I athletes that were staples to the university. The first example that I will discuss is the case of former Penn State running back, Curtis Enis. Enis was a very physical running back who had great potential and high expectations of playing professional football. He had some stellar seasons with the Nittany Lions in 1996 and 1997, and was a potential Heisman candidate entering his senior year. There was speculation surrounding Enis about him possibly going pro, and it was discovered that he accepted gifts from an agent (BSD, 2007). This is a violation of NCAA rules and caused a college ending career scandal. He eventually went on to be the fifth overall pick in the 1998 NFL Draft and played three years for the Chicago Bears (BSD, 2007). The lesson learned in this case is that because Enis accepted gifts from an agent, that considers him in numerous violations of NCAA rules in which collegiate athletes are forbidden to agree, orally or in writing, to be represented by an agent or organization in the marketing of his or her athletic ability or reputation until after the completion of the last intercollegiate contest, including postseason games. The NCAA prohibition includes an agreement that is not effective until after the last game (Agents, lsusports.net). NCAA rules forbid an athlete from accepting expenses or gifts of any kind from an agent or anyone else who wishes to provide services to the student-athlete. Such payment is not allowed because it would be considered compensation based upon athletic

skill and preferential benefit not available to the general student population (Agents, lsusports.net). This is one example where a player broke the rules of the NCAA and he was suspended for a season and decided to drop out of school and play in the NFL for only three seasons before getting cut and retiring.

Another case involving players receiving benefits and gifts is a more recent case dealing with the University of Miami's football program. There were dozens of Miami Hurricane players, who allegedly accepted gifts, money, and sexual favors (Degnan, 2011). Yahoo! Sports conducted an eleven month investigation on the University of Miami and they found that Hurricane booster, Nevin Shapiro, provided large amounts of money to be used for benefits to at least 72 athletes from 2002 through 2010 (Degnan, 2011). Shapiro gave out cash, prostitutes, entertainment in his million dollar homes and yacht, paid trips to clubs, restaurants, and nightclubs, jewelry, bounties for on-field play, travel, and an abortion in one occasion (Degnan, 2011). These violations were taken very seriously by the NCAA and they are currently still in investigation of the entire issue. Mr. Shapiro is serving a 20-year prison sentence after federal prosecutors said he masterminded a \$930 million investment scam (Degnan, 2011). The university is clearly in violation of NCAA rules; however they are still investigating the case at this time.

The last and final case that has relevance to this subject is the case of Ohio State football players selling their personal memorabilia, including the Big 10 championship rings, to a tattoo artist in Columbus in exchange for tattoos. In December of 2010, Ohio State quarterback Terrelle Pryor and four other Ohio State players received cash and discounted tattoos from Edward Rife, tattoo parlor owner, in exchange for signed Buckeye memorabilia and championship rings (Welsh- Huggins, 2011). All of the players were permitted by the NCAA to

play in the Buckeyes' Sugar Bowl, and the NCAA gave the players a five game suspension that would begin with the first game of the 2011 season. Investigators found Jim Tressel, Ohio State's head football coach, in violation of NCAA rules because he signed an NCAA compliance form saying that he had no knowledge of any wrongdoing by student-athletes. His contract and NCAA rules specified that he had to tell his superiors or the proper department about any possible NCAA rules violations (Welsh- Huggins, 2011). Jim Tressel, a national championship coach resigned from head coach of Ohio State on May 30, and the star quarterback, Tyrelle Pryor also left Ohio State and is currently a back-up for the Oakland Raiders in the NFL. The owner of the tattoo parlor was sentenced by a judge to three years in prison (Welsh- Huggins, 2011).

By analyzing and researching various cases, it is almost an accepted norm in the college sports as athletes to get as many benefits as you can without getting caught. You always hear about continuing NCAA investigations on colleges and universities. It has almost come to the point where everyone is in violation of NCAA rules and it is just interesting to see how the NCAA handles the situations. At any rate, I will now discuss my personal opinion on whether or not I believe collegiate athletes should be compensated or receive benefits for their occupations as student-athletes.

After reading numerous articles and doing extensive research, I do believe that colleges and universities should compensate their "big-time" athletes for the benefit they bring to the school. I believe that institutions should give players a living stipend that is monitored by the school. The university would be responsible for checking the various expenses that the athletes make. In this day in age, the concept of amateurism is dwindling and will eventually be eliminated in college football and basketball. The market to increase revenues at colleges based off of their athletic programs and talent is becoming more and more competitive and everyone

wants a cut of the cake. The NCAA must adapt, restructure, and determine ways to give student-athletes more say in the matter of benefits they receive (McMillen, 2011). There are many different ideas for a potential solution to this debatable issue.

The recommendations that I suggested are based off of my research done on the topic and are mixed views and opinions of my thoughts and others. The possible recommendations for a solution include; Student-athletes should be given a living stipend, or cost of living allowance, they should be given more access to the commercial free market (Huma, 2011), put a portion of new revenues into an student-athlete education lockbox (Huma, 2011), use new TV revenues to provide accommodations for female athletes in accordance with Title IX, impose scholarships that are equivalent to the total cost of attendance (Huma, 2011), and have Congress and the National Government examine all aspects of collegiate athletic changes to insure university presidents agree with the reforms allocated (Huma & Staurowsky, 2011). All of these possible solutions are just theories and none have been tested or implemented.

If I was to pick a solution, I would choose the idea of imposing a living stipend for college athletes. The institutions should control what is included as a necessity for living and have a compliance department to monitor student-athlete expense accounts. They should have the stipend set so money can only be spent at certain locations and restaurants etc. Universities must find a way to come up with a number value, to determine on to how much to give each athlete and which athletes receive benefits within the guidelines of the NCAA and Title IX. If schools determine a model for a living stipend then the schools that are less profitable than others might have to drop some athletics but business is business.

There are different ways in which colleges can compensate their athletes, but I believe this way would be the most effective and that a transition this major would have to be taken in

small steps because no one knows what the entire ramifications are to implementing an idea such as this. Because of the changing world of sports and business, this issue will be very prevalent in the near future and we must think of ways of adaptability now to brainstorm the best options for a solution. Consequently, there are many arguments for and against why "big-time" student athletes should be compensated in some way, shape, or form. My personal belief is that they should receive some benefits and compensation since they help bring in money to the institution, and universities around the nation should start thinking about potential ways to give student-athletes benefits and other ways to cut costs in order to create a more efficient athletic administration.

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