



Student Athlete Compensation

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Strengthening the legislative institution

How NCSL Strengthens Legislatures



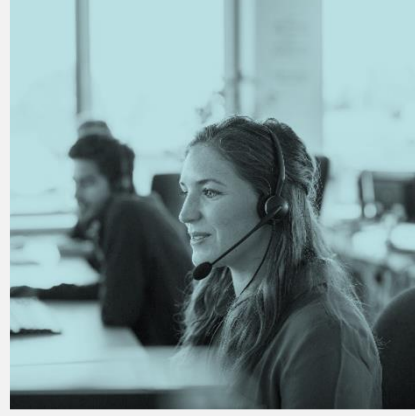
Policy Research

NCSL provides trusted, nonpartisan policy research and analysis



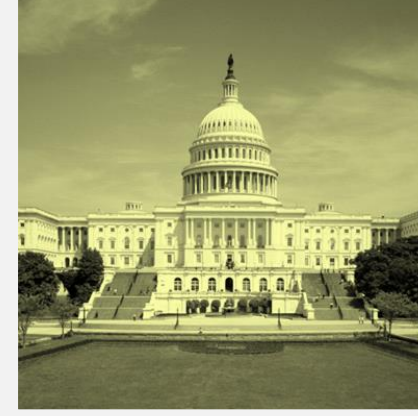
Connections

NCSL links legislators and staff with each other and with experts



Training

NCSL delivers training tailored specifically for legislators and staff



State Voice in D.C.

NCSL represents and advocates on behalf of states on Capitol Hill

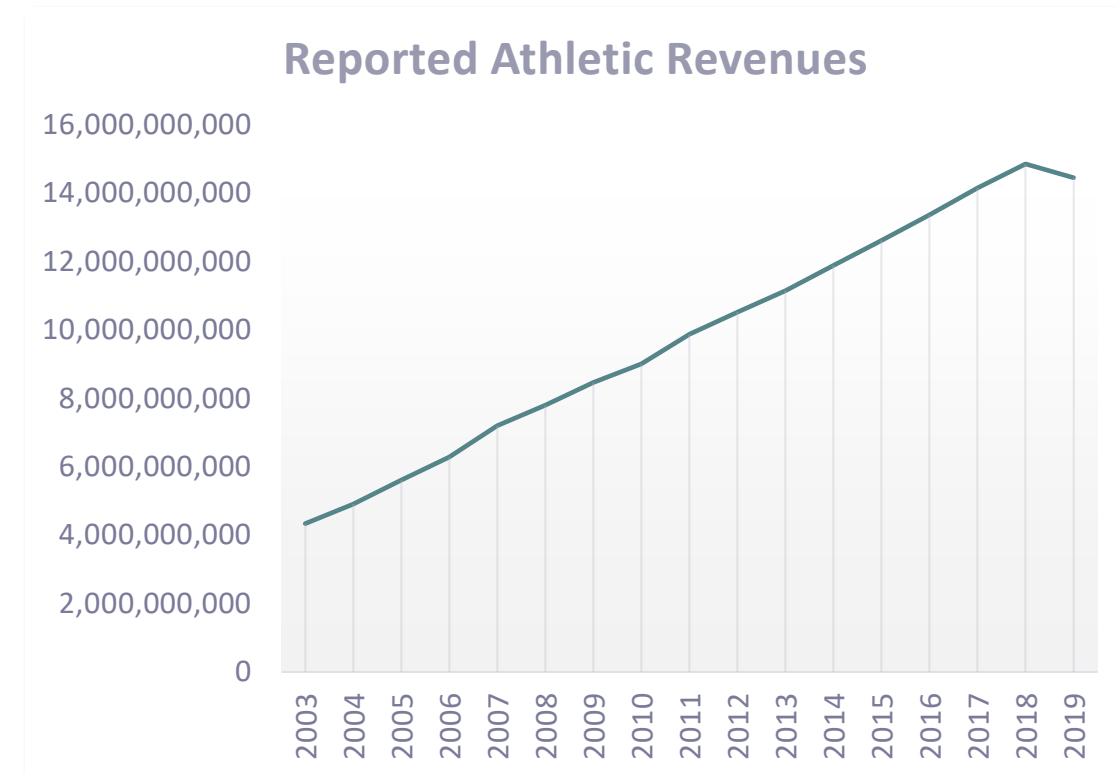


Meetings

NCSL meetings facilitate information exchange and policy discussions

NIL & Student Athlete Compensation Background

- Collegiate Athletics Revenue
 - Growth in overall revenues
 - Disparities between institutions & sports
- Collegiate Athletic Spending
 - Scholarships
 - Facilities
 - Coaching salaries
- Early Examples of Compensation
 - Olympics
 - Two-Sport Athletes
 - Gifts & Student Assistance Funds



SOURCE: U.S. Department of Education, Equity in Athletics Disclosure Act (EADA) survey.

California “Fair Pay to Play” Law

- California SB 206 (2019)
 - Sponsored by Senator Nancy Skinner (D-Berkeley) and Senator Steven Bradford (D-Gardena)
 - Passed Assembly & Senate unanimously
 - Opposed by California State University System, other institutions, and NCAA
 - Signed into law by Governor Newsom on September 30, 2019
 - Originally scheduled to take effect 1/1/2023

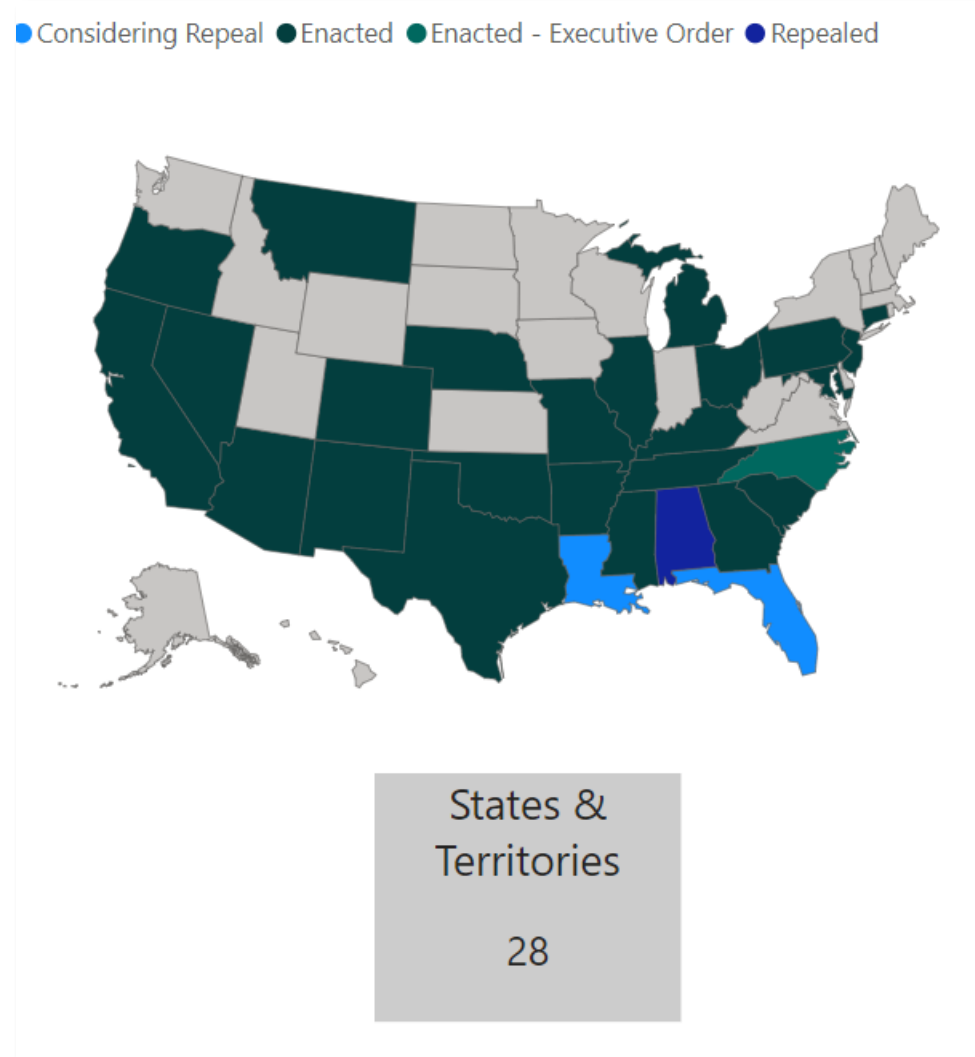
California “Fair Pay to Play” Law

○ Key Provisions

- Prohibits *institutions* from upholding “any rule, requirement, standard, or other limitation that prevents a student of that institution participating in intercollegiate athletics from earning compensation as a result of the use of the student’s name, image, or likeness.”
- Prohibits *organizations* (including the NCAA) from preventing “a student of a postsecondary educational institution participating in intercollegiate athletics from earning compensation as a result of the use of the student’s name, image, or likeness.”
 - Also prohibits organizations from preventing a postsecondary education institution from participating in intercollegiate athletics based on allowing a student to earn NIL compensation.
- Provides that scholarships are not compensation.
- Allows student athletes to obtain an agent licensed by the state.
- Requires creation of a working group to study NIL compensation at Community Colleges.



NIL National Landscape



- In 2020 & 2021, 40 states introduced similar NIL legislation.
- 28 states allow student athletes to earn compensation
 - 27 states enacted legislation
 - 1 state action via Executive Order

Common State Provisions

All state legislation contains these provisions	Enabling Provision	Financial Aid Eligibility	
Most state legislation contains these provisions	Agent Provisions	Institutional Limitations	Disclosure to Institutions
Some state legislation contains these provisions	Financial Literacy/ Education Requirements	Employee Designation	

Common State Provisions

Enabling Provision	Financial Aid Eligibility	Agent Provisions
Language that allows student athletes to earn compensation from their name, image, or likeness.	Language that stipulates that an athlete earning compensation from their name, image, or likeness cannot affect their financial aid and scholarships.	Language that allows student athletes to obtain legal representation and support for their compensation earnings from an agent.
<i>“A student-athlete may earn compensation, commensurate with market value, for the use of the name, image, likeness, or voice of the student-athlete while enrolled at a postsecondary educational institution.” (IL)</i>	<i>“Earning compensation from the use of a college student athlete's name, image or likeness rights may not affect the college student athlete's scholarship eligibility, duration or renewal.” (PA)</i>	<i>“An intercollegiate athlete may obtain representation by a third party, including, but not limited to, an athlete agent, for the purpose of securing compensation for the use of the athlete's name, image, or likeness.” (TN)</i>
All state legislation contains this provision.	All state legislation contains this provision.	Most state legislation contains this provision.

Common State Provisions (Cont'd)

Institutional Limitations

Language that allows higher education institutions to impose or create limitations on compensation activities that a student athlete may partake in.

“An institution of higher learning may prohibit an intercollegiate athlete from using his name, image, or likeness for compensation if the proposed use of his name, image, or likeness conflicts with:

- (a) existing institutional sponsorship agreements or other contracts; or*
- (b) institutional values as defined by the institution of higher learning.” (SC)*

Most state legislation contains this provision.

Disclosure to Institutions

Language that requires student athletes to disclose NIL activities to their higher education institution.

“Any student-athlete who enters into a contract that provides compensation for the use of such student-athlete's name, image, or likeness rights or athletic reputation shall disclose such contract to an official of the postsecondary institution for which such student-athlete participates in an intercollegiate sport.” (NE)

Most state legislation contains this provision.

Common State Provisions (Cont'd)

Financial Literacy/Education Requirements

Language that requires institutions that allow athletes to earn compensation from NIL rights to provide education or financial literacy training to student athletes.

“A postsecondary educational institution shall conduct a financial literacy and life skills workshop for a minimum of five hours at the beginning of the student athlete's first and third academic years.” (GA)

Some (6 states) state legislation contains this provision.

Employee Designation

Language that explicitly states that student athletes who earn compensation from NIL rights are not employees of the university or the state.

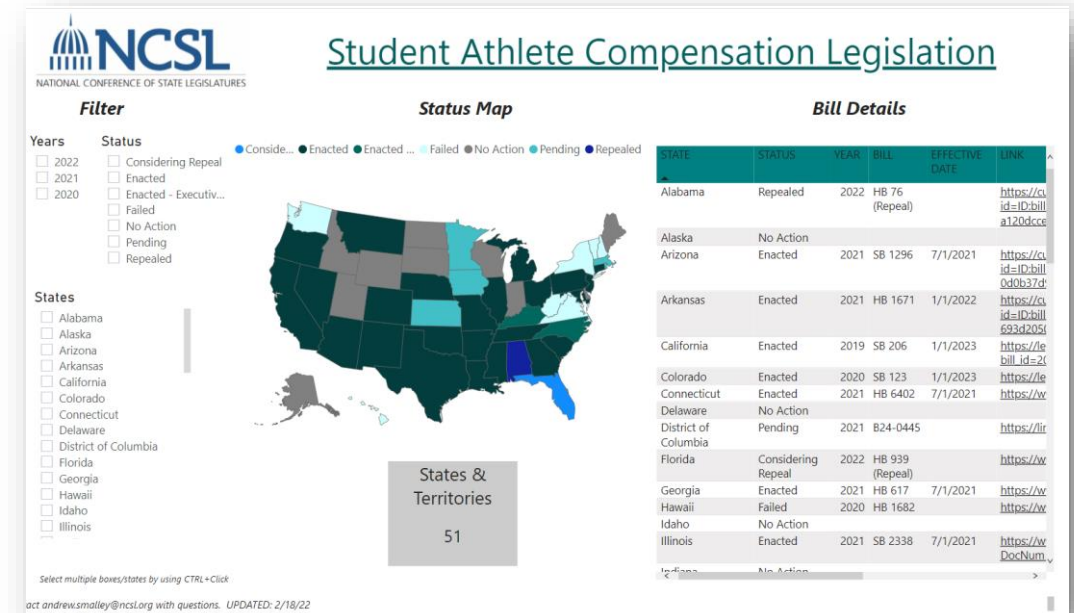
“A student-athlete shall not be deemed an employee or independent contractor of an association, a conference, or a postsecondary educational institution based on the student-athlete's participation in an intercollegiate athletics program.” (MS)

Some (4 states) state legislation contains this provision.

NIL Recent State Developments

- In 2022, 1 state (KY) has passed NIL legislation
 - 3 other states are considering NIL legislation.
- NIL repeal
 - Alabama has repealed its NIL law
 - 2 other states (LA, FL) considering repeal
- State Comparison
- Early Data from NIL Transactions

NCSL Student Athlete Compensation Database



<https://tinyurl.com/NCSLNILDB>

NIL Federal Update

- Major Federal Proposals
 - College Athletes Bill of Rights (Sen. Booker & Rep. Schakowsky)
 - College Athlete Right to Organize Act (Sen. Murphy & Rep. Bowman)
- Other introduced legislation
 - Bipartisan interest



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NCSL Postsecondary Education Resources

Bill Tracking

NCSL Postsecondary Bill Tracking Database

All state postsecondary legislation in 40 topics since 2019

<https://tinyurl.com/NCSLPSDB>

Student Loan Bill Tracking Database

All state student loan legislation since 2015.

<https://tinyurl.com/NCSLSLDB>

Student Athlete Compensation Database

Status of NIL legislation nationwide

<https://tinyurl.com/NCSLNILDB>

Publications

- Today's Student and the Rising Cost of Higher Education
- State Higher Education Efforts Aimed at Adult Learners
- College Completion Strategies
- Annual Higher Education Legislation Summaries



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**Reach out for any state policy
questions!**

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