



NEVADA LEGISLATURE COMMITTEE TO CONDUCT A STUDY CONCERNING THE USE OF THE NAME, IMAGE, AND LIKENESS OF A STUDENT ATHLETE

([Assembly Bill 254](#) [2021])

DRAFT MINUTES

April 28, 2022

The second meeting of the Committee to Conduct an Interim Study Concerning the Use of the Name, Image, and Likeness (NIL) of a Student Athlete for the 2021–2022 Interim was held on Thursday, April 28, 2022, at 1 p.m. in Room 4401, Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. The meeting was videoconferenced to Room 4100, Legislative Building, 401 South Carson Street, Carson City, Nevada.

The agenda, minutes, meeting materials, and audio or video recording of the meeting are available on the Committee's [meeting page](#). The audio or video recording may also be found at <https://www.leg.state.nv.us/Video/>. Copies of the audio or video record can be obtained through the Publications Office of the Legislative Counsel Bureau (publications@lcb.state.nv.us or 775/684-6835).

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman Cameron (C.H.) Miller, Chair
Dexter Irvin, Director of Athletics and Recreation, College of Southern Nevada
Eric Nepomuceno, Deputy Athletics Director, Chief Operating Officer, University of Nevada, Las Vegas (UNLV)

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

Katelyn Norris, Student, Freshman, Women's Soccer, Truckee Meadows Community College

COMMITTEE MEMBERS ATTENDING VIA REMOTELY:

Senator Roberta Lange, Vice Chair
Devonte Lee, Student, Senior, Football, University of Nevada, Reno (UNR)
Yvonne Nevarez-Goodson, Deputy General Counsel, Legal Affairs Office, Nevada System of Higher Education

COMMITTEE MEMBER ABSENT:

Linda Garza, Head Softball Coach, UNR (Excused)

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Alex Drozdoff, Senior Policy Analyst, Research Division
Jennifer Ruedy, Chief Principal Policy Analyst, Research Division
Jen Sturm, Senior Policy Analyst, Research Division
Maria Aguayo, Research Policy Assistant, Research Division
Asher Killian, Chief Deputy Legislative Counsel, Legal Division
Jaimarie Mangoba, Principal Program Analyst, Fiscal Analysis Division

DRAFT

Items taken out of sequence during the meeting have been placed in agenda order.
[Indicates a summary of comments.]

AGENDA ITEM I—OPENING REMARKS

Chair Miller:

Good afternoon. Welcome to the second meeting of the Committee to Conduct an Interim Study Concerning the Use of the NIL of a Student Athlete. Thanks to everyone who is attending in person in Las Vegas as well as in Carson City and for those who will be joining us online. We appreciate your participation.

[Chair Miller reviewed housekeeping measures.]

Meeting materials can be accessed on the [Committee's web page](#) located on the Nevada Legislature's website. Anyone who would like to receive electronic notification of and access to the Committee's agendas, minutes, and final report can do so by [signing up](#) on the Legislature's website.

Please note that we will not be hearing Agenda Item V today. Instead, we will try to reschedule that presentation with a representative from UNR at our May meeting. Also, the presenter for Agenda Item VI, Mr. McDonald, is traveling today, so we may need to adjust our schedule. Finally, I expect courtesy and respect in our interactions with each of our members and presenters, even if we do not agree.

AGENDA ITEM II—PUBLIC COMMENT

Chair Miller:

[Chair Miller reviewed public testimony guidelines.]

Public comment will be limited to three minutes per speaker. An additional opportunity to make public comment will be available at the end of the meeting.

[Chair Miller called for public comment; however, no testimony was presented.]

AGENDA ITEM III—APPROVAL OF THE MINUTES FOR THE MEETING ON MARCH 24, 2022

Chair Miller:

I will take a motion to approve the minutes from the March 24 meeting.

VICE CHAIR LANGE MOVED TO APPROVE THE MINUTES OF THE MEETING HELD ON MARCH 24, 2022.

MS. NEVAREZ-GOODSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

AGENDA ITEM IV—PRESENTATION ON CURRENT POLICIES, PROGRAMS, AND CHALLENGES RELATED TO NAME, IMAGE, AND LIKENESS USE AT THE UNIVERSITY OF NEVADA, LAS VEGAS

Chair Miller:

We have UNLV's Stefany Valentino and Samuel Hersh with us in Las Vegas and Casey Floyd from NOCAP Sports joining us by Zoom.

Stefany Valentino, Assistant Athletics Director for Compliance, UNLV:

I am a former student athlete. I played softball at UNLV and now have the privilege of serving in the athletics department. One of my main roles in the athletics department is to oversee financial aid for all our sports.

Samuel Hersh, Associate Director of Compliance, UNLV:

I was a former baseball student athlete at Newman University in Kansas. I help Eric Nepomuceno on a day-to-day basis with NIL.

Casey Floyd, Cofounder and Chief Compliance Officer, NOCAP Sports:

My background is also in the National Collegiate Athletic Association (NCAA) compliance. I have been at multiple Power Five institutions and at the Division I Conference Office. Most recently, I was Director of Compliance at the University of Michigan the last four years. I have also served on the National Association of Collegiate Directors of Athletics (NACDA) Legislation and Governance Committee that gave recommendations on NIL to the NCAA.

Ms. Valentino:

Generally, as a department in athletics, we are supportive of any opportunities that our student athletes have to enhance their experience, which includes NIL (Agenda Item IV).

As I am sure you all are aware of, on June 30, 2021, the NCAA adopted temporary legislation which permitted the use of NIL for student athletes. There were three main parameters in this temporary legislation:

1. No pay-for-play. Any NIL deals could not be tied to athletic performance.
2. No recruiting inducements. A student athlete should not sign an NIL deal that is tied to a specific institution for their enrollment.
3. Student athletes should report any NIL activity consistent with state law or institutional policy.

I am sure you are very familiar with [AB 254](#), which went into effect on January 1, 2022. Three main parameters are:

1. Universities may implement reasonable restrictions, which we have done as an institution, and Sam will touch base a little bit more on that in regard to our core values;

2. An institution may require a student athlete to receive education, which we have also done through our Vegas Effect platform. Sam will also elaborate on that in future slides; and
3. Student athletes must disclose their NIL deals, which we do through NOCAP Sports, which is why we have invited Casey to join us.

Mr. Hersh:

As on-campus practitioners, I will lay the foundation of what we currently know as it pertains to NIL and institutional involvement. Institutions may not prevent a student athlete from being compensated for the use of their NIL. There are three main things that I want to touch on:

1. Student athletes must provide a service in return for the deal that they are going to execute; we call that "quid pro quo." We make sure that student athletes are doing something for something as it pertains to NIL;
2. Student athletes may hire representation in marketing to oversee their NIL efforts. I do want to note this is not to be confused with professional representation. This is representation specifically to marketing opportunities, and NIL would obviously fall into that category; and
3. Name, image, and likeness deals must be disclosed to us as an institution via our third-party administrator, NOCAP Sports. That is consistent with our state law in Nevada and our institutional policy.

Regarding our policies and procedures as a campus and institution at UNLV, student athletes must adhere to the following guidelines. First, students cannot miss class, academic considerations, or any athletic activities for NIL engagements. We understand that academic and athletic responsibilities take up a large portion of their day and that is the reason they attend UNLV, ultimately. We make sure that those are prioritized, and then outside of those hours, they are free to engage in any NIL opportunities as fit.

Secondly, we are a Nike school, and we require our student athletes to continue to wear institutionally issued gear for practice and competition and any equipment that they received from the institution during practice and competition events. If a student athlete has a brand deal with a non-Nike or noninstitutionally issued gear—they could still do that outside of their time—when they are representing us as an institution, they still have to adhere to the institutional issued gear requirements.

Third, the UNLV arch logo can be requested by the student athlete to use for an NIL deal. What this looks like in practice is a student athlete might be making a social media appearance or a public appearance, and then they can request the UNLV arch. They will work with our marketing team and, if the marketing team is comfortable with it, they would release and allow the student athlete to use that logo for an NIL deal.

Furthermore, UNLV Athletics provides education and all access to other resources such as brand awareness and any other financial literacy resources, as necessary. Student athletes are knowingly responsible for all NIL functions, which includes, but is not limited to, taxes, insurance, and contract requirements. We need to continue to educate 18- to 22-year-old students who are engaging in NIL deals on things such as doing their taxes or any other financial literacy considerations as they continue to build out their brand and their NIL.

Finally, NIL agreements must align with our core values as an institution. There are two examples that I like to use here. The first one is marijuana usage. Obviously in the city of Las Vegas, marijuana is legal, but from an NCAA standpoint, we continue to drug test our student athletes, and any sort of agreement or NIL deal with the marijuana dispensary, as an example, could violate our core values. The other example I like to use is sports wagering. Obviously, being here in Vegas, we are surrounded by casinos and sports books. However, at the NCAA level, it is impermissible to place a wager on any sport that has an NCAA championship. These are two key areas that we might flag on the front end as an impermissible NIL deal.

Next, I want to get into what we do not know. Currently, the penalty structure from the NCAA has not been clearly outlined. I think on a day-to-day basis, as on-campus compliance officers, we are aware of what certain violations look like. A coach might have an impermissible contact with a professional services agreement (PSA). We know that is going to most likely result in a secondary violation, and we would provide them with rules education on the back end. Something more egregious, like lack of institutional control, might result in a major violation. This is important because this allows us, as compliance administrators, to understand what we need to educate our coaches, staff, and student athletes on. With the NIL space, the penalty structure has not been clearly defined. We are, for the time being, trying to educate on every possible scenario that might come up.

The second thing we do not know is the definition of *institutional involvement*. Currently, *institutional involvement* has not been defined by the NCAA. Some schools have been very conservative in this space, some of them very progressive in terms of how they are going to handle institutional involvement. There are a few examples that I will use on this. A student athlete might request gear for an NIL deal and then, depending on how the institution wants to handle that, they might give out gear for an NIL deal or they may say the student needs to wear the team-issued gear that they have already received. A second example would be facilitating a deal. Institutions might be very aggressive and go out and facilitate deals for their student athletes; others may sit back and continue to educate; or some might provide facility usage. An institution may provide facility access as it pertains to an NIL deal, but again, institutional involvement has still not been clearly defined, so there are a lot of gray areas as it pertains to institutional involvement.

The third thing we do not know is unintended recruiting advantages. Two examples that I will use here are pay-for-play and recruiting inducements. We can all agree NIL was great for our student athletes and the opportunity that they are now given to engage in NIL deals. What I think we might see moving forward is this turning into pay-for-play to get a student athlete in the transfer portal, a two-year transfer, or even a high school prospective student athlete to attend a certain school in hopes of getting an NIL deal in return.

Ms. Valentino:

We have a fair amount of student athletes who qualify for federal aid financially, whether that be a Pell Grant or other federal grants, and we are still unsure of how NIL deals will impact that. As an example, someone might have an unexpected family contribution that is very low, and they may qualify for the maximum amount of Pell Grant. Now, if they are involved in these different NIL activities and they have additional income, we do not know what that will look like down the road if this additional income makes them no longer eligible for their Pell Grant. These are things that we are trying to educate our student athletes on to make them aware that there could be potential implications in this area. Is your \$1,000 NIL deal worth you potentially losing your \$6,000 Pell Grant? These are things that we are trying to educate our student athletes about on the front end.

Mr. Hersh:

Moving on to our Vegas Effect platform, which is our institutional NIL education. It is a three-pronged platform that focuses on educating our student athletes and providing them with the resources to maximize their NIL opportunities. The first is training—this is on-campus education for our student athletes, coaches, staff, and community. This would involve donors, boosters, and season ticket holders. We want to educate all the appropriate parties who could be involved in this space. We have semester meetings with our student athletes, we will meet team by team, and we will discuss NIL as one of the items we continue to educate them on. Additionally, part of our toolkit will provide on-campus resources and targeted presentations. When we rolled this out in July and August, we understood that the first part of NIL is being mindful of your brand—what kind of deals you want to do and who you want to partner with—so we brought in a branding awareness speaker to educate our student athletes on what to be mindful and considerate of as they continue to pursue the NIL space. Finally, the takeoff—NOCAP Sports is going to be our third-party administrator who we have partnered with to help us with the disclosure process. They provide great resources such as modules that student athletes can go on and complete and receive more education and information there.

Moving on specifically to NOCAP. This is a partnership that we have between UNLV and NOCAP that provides our student athletes with necessary knowledge and a platform to navigate their NIL. A couple of high-level things here that student athletes are able to do at NOCAP are:

- Contract receipts—When a student athlete has a deal, they can upload a contract. From an institutional standpoint, we have an opportunity to review that contract. We will not give them information on whether it is a good deal or not. What we will do, however, is acknowledge whether the deal is permissible with NCAA rules, Nevada state law, and our institutional policy. We encourage disclosure on the front end, which allows us to review and make sure that the deal meets all those permissible channels prior to execution;
- Agent registration—We spoke on the fact that marketing agents and representation for NIL deals is now permissible. NOCAP Sports allows agents to register as agents in the platform, which would allow us to continue to monitor what agents are representing our student athletes;
- Tax documentation preparation—Obviously, taxes are a key part of the NIL space and NOCAP assists in that;
- Brand development and analytics—A lot of student athletes, especially in nonrevenue sports, may not have an idea of what they are worth or what a Twitter or Instagram post is worth. NOCAP is able to take some of their information, such as their following, and give them a number of what they think they could get for a post, on Instagram or Twitter; and
- Open marketplace for NIL opportunities—Student athletes can receive offers through NOCAP Sports, but they can also apply for offers from businesses that have applied and set up accounts with NOCAP.

Finally, I do want to note that student athletes are permitted and encouraged to explore all NIL opportunities on other platforms, such as INFLCR or Opendorse, but from an institutional standpoint, we require them to disclose to us and NOCAP Sports.

Mr. Floyd:

To describe some of the interactions on a daily basis with athletes and schools: (1) we help onboard and teach athletes and schools how to use NOCAP, and we go through demos and answer questions; (2) if anyone has any issues with disclosures or deal-related questions, they can come to us; (3) we solve technology issues; and (4) we solicit feedback and new feature requests from athletes, businesses, and schools, such as what will make their lives easier or what will help them with NIL, and then we implement those features.

The platform has really evolved. This is a fast-paced industry. Some little things, such as language changing on the deal disclosure on the school's side from "accepting" a deal to "acknowledging disclosure" of the deal. That way, that school cannot be seen as approving the deal or be held legally liable for any of the deals that their athletes do. The workflows and deal processes have really changed as we go, and there are two options for workflows. Some schools have different disclosure processes. For example, Villanova University does not require disclosure before a deal is signed, but they require that the deal is disclosed at some point, even if it is after the fact and the deal has already been finalized between a business and an athlete. Social media statistics and profiles modernize it. An athlete can connect their Instagram, TikTok, Twitch, Twitter—any of those social media platforms—and we pull in that data and provide all of the social media metrics. It will show them their followers, the engagement rate of their followers—this is how often someone likes, clicks, comments, and shares a post—and then it will also show the demographic information of their audience, such as how many of their followers are male or female, the age range of their followers, what cities they live in, and the ethnicity of their audience. We modernize how that information is displayed based on feedback we have received.

The information disclosed on forms has changed. As NIL has evolved, schools have requested different things on the forms and what information they want to receive about deals. Education partnerships are constantly changing. We are constantly adding new content and partnering with new experts in a variety of fields, whether it is branding, social media, financial literacy, trademarks, legal advice, or things that are related to NIL.

As for challenges, NIL is a brand-new industry, and it is very fast paced. It seems like things are changing all the time. One of the things that we have dealt with is collectives, which is pretty new. This is where donors, fans, or alumni of a school band together to create an organization—either a charity-based organization or a business entity—to facilitate NIL deals with either current student athletes or prospective student athletes, but mainly with the intention of retaining their athletes or attracting new athletes based on deals that might be able to be provided to those athletes based on their NIL.

Some of the other challenges include new technology. This is a new space, and we are trying to make it as user-friendly and intuitive as possible. We want to make sure that we can capture everything that the business and athlete needs. We are also adding in an agent perspective of the portal, so they can help their clients now that athletes can hire marketing agents to help them with their NIL deals in negotiating, signing, and finding deals.

Education is another challenge. I have been on campus for a long time, and I am sure a lot of people already know intuitively, but you only have a limited time with student athletes. They are very busy individuals, whether it is sports, academics, personal life, being a college student, and family. We are trying to condense the education into bite-sized content that is about two to three minutes. We are breaking them out into chapters so that athletes can easily search and find the education information that they are searching for and then

deliver it to them in a condensed format that will fit the attention spans of everyone in today's society. That is always something that we are working on.

Mr. Hersh:

Next, I want to talk about the challenges from an institutional standpoint at UNLV. The first challenge is the limited guidance from the NCAA. As on-campus compliance practitioners, we operate per the NCAA manual, which outlines all the rules from recruiting, playing in practice seasons, financial aid, and so on. With the guidance we have received from the NCAA, we have been left with a lot of gray area. The compliance structure that we have is we are always able to point to a rule or an interpretation, and we give that to the coach or a student athlete and explain this is why or why not. With the current rules that are in place for the NCAA, there is a lot of decision-making operating in the gray area. Secondly, we have trouble with the definition of institutional involvement. I spoke earlier about institutional involvement and how this has not been clearly defined. This makes our jobs as on-campus practitioners difficult without the guardrails put in place to know what we can and cannot do as an institution as it pertains to NIL. Thirdly, we struggle with knowing how much donors and boosters can be involved. This is obviously a space that they want to get involved in as it pertains to NIL and student athletes. We continue to educate our donor and booster groups, but we are still unaware of how much or how little donors and boosters can be involved in the NIL space.

The second challenge is state laws and differences in policy. Not every state has a state law. Some state laws might be more progressive versus more conservative. A school in one state might have a competitive disadvantage or advantage compared to a school in another state. The NCAA and the state law is silent on a couple of practical application areas. Again, in our day-to-day jobs, there are still no guardrails in some of the things that we need to apply to know how we should make a decision on whether we are going to be permissive or impermissive in a certain space. Lastly, we struggle with the reporting and penalty structure. We talked about the penalty structure for NCAA rules. The penalties and what a violation of NIL looks like right now has still not been clearly defined and outlined. We continue to educate on what we believe is important in the NIL space, but until the reporting and the penalty structure is further outlined, that is going to leave us to work in the gray area as it pertains to some of this.

The third challenge is international student athletes. As some of you know, for student athletes to attend college in the United States, most of them are on a student visa—specifically the F-1 Visa—and there are laws and rules as it pertains to employment for most student athletes or students in general that are on those visas. They can only work on campus up to 20 hours a week or up to 40 hours a week. Name, image, and likeness is obviously considered employment, which has created challenges with their student visas. We have continued to work with our office of international students and scholars on campus about what exactly internationals can and cannot do. At this point, we are looking for more guidance at the federal level as it pertains to international student athletes in NIL.

The fourth challenge is on-campus resources. I am very active on social media. About once a week, I will log on and I will see an NIL deal. The first thing that my mind thinks of is, "I need to go see if it is disclosed in NOCAP." I will log on to NOCAP Sports and more times than not, it is not disclosed, which then prompts me to send an email or a text to the student athlete saying, "We need you to disclose this deal." That creates a challenge for us because now we are not able to confirm that the deal has been permissible on the front end. We are now going backwards, which creates a challenge for us. The goal is disclosure on the front end so we can review it from the state law, NCAA interim policy, and our

institutional guidelines. When we get disclosure on the back end, that obviously can create challenges for us. A challenge with on-campus resources is the consistency of the application, such as how certain schools are acting with NIL, what decisions they are making, or even what state laws are allowing. For an institution like UNLV or the state of Nevada versus how schools in another state apply certain legislation or rules may not be consistent across the board. Finally, there is a struggle with personnel expertise. I played baseball at a Division II school, it was a small private school. Our compliance person was also the facilities person who also fund-raised. Their capacity for compliance was not as high as it would have been at a school like UNLV with a full, four to five full-time staff member compliance office. You may have multiple people doing compliance or you may have one person who wears a lot of hats, but ultimately, the time and the oversight of NIL maybe lost for those that do not have much time to do it.

Does the Committee have any questions?

Mr. Irvin:

Are there consequences for nondisclosure? Obviously, with the NCAA, there always seems to be consequences, which is good, but are we addressing those or are there consequences that have to be reported?

Mr. Hersh:

From an NCAA standpoint, lack of disclosure has not been outlined. Some state laws require disclosure and some do not. From an institutional standpoint, we have a policy and procedure in place that if we identify an NIL deal that has not been disclosed, we will send a formal email to the student athlete outlining the deal and that they need to disclose it to NOCAP Sports. If that deal does not get disclosed, we will send a follow-up email and we will copy their head coach, so that the head coach is aware. The leverage we have at that point is we will say, "Per our state law, disclosure is required, and the ability to continue to practice and compete in collegiate athletics could be impacted if you do not disclose that deal." From that point on, disclosure always happens, and from that point we do not have any issues.

Mr. Nepomuceno:

I have two questions. The first one is for Casey. You provided a great example with the Villanova University anecdote with respect to how different schools are applying NIL administration differently on their campuses. Could you give us other examples that you have seen other schools use and maybe not use? Can you also give us an idea of how many schools you are currently working with?

Mr. Floyd:

We are working with about 65 Division I institutions and a ton of Division II and Division III institutions. We do not market to them, it is word of mouth comes in that we onboard and help them as well. To the first question, I would say the disclosure process is one thing that I have seen very different amongst institutions and in the level of involvement. There are a few states that allow the school to actually be involved in the deal, to help facilitate and source deals. Montana, I believe is one, and then Tennessee just changed their state law, so I will be interested to see how that plays out. We do have a couple of schools in Tennessee. I think that makes a big difference. If one school can actually help find deals, talk to donors, introduce athletes, and help them create NIL opportunities, whereas the Florida state law is actually very restrictive and does not allow a coach or any staff member to be facilitating or

involved in any deal, so it is very hands-off. I think that is the reason why Florida is repealing. I believe that is the same reason why Alabama repealed their state law and is trying to make it more flexible and permissive to allow the school to be involved in some form or fashion.

Mr. Nepomuceno:

My second question is for Mr. Hersh. You gave a great outline for the challenges from an administrative standpoint. Could you share with us some challenges that you may have seen from your experience that student athletes encounter in this NIL space?

Mr. Hersh:

As a former student athlete, I went through college from 18 to 22 years old. I did not know how to do my taxes, how to set up a bank account, or how to market myself. I unfortunately was not playing during the NIL days, but I would not have known how to do any of that stuff. I think the biggest challenge right now for student athletes, especially in nonrevenue sports, is that they do not know how to go out and create these NIL deals. Some may feel that the deals are going to come to them, but a lot of this is going out and doing outreach themselves, looking for deals that makes sense for them, and partnering with brands and businesses that work for them. After that, once the deals are done, they ask "How do I do my taxes?" or "How do I set up my bank account again?" These are all things that as adults we take for granted, but we need to remember that it is our job to continue to educate student athletes on these high-level financial literacy areas.

Vice Chair Lange:

I know there have been a lot of articles about Alabama lately in the news; their quarterback is making like six or seven figures in NIL money. Do you find that the athletes who have the best opportunities to get the larger NIL contracts are top 25 schools and/or where there are big media population hubs?

Mr. Floyd:

I think it depends. I think those deals that make the headlines—the six-figure deals or million-dollar deals—are really tied to the collectives and these donors who are trying to incentivize future recruits to go to the school by offering current student athletes these deals presuming that future student athletes will receive it too. In the broader picture, I think every student athlete has NIL value, and it is about getting yourself out there, like Mr. Hersh said, and taking the onus on yourself to create those opportunities. From the brands that we have worked with, what I have seen—and I think this is a big misconception in NIL—is the brands actually prefer to work with a lot of microinfluencers who may only have 2,000 Instagram followers versus one huge influencer who has a million followers. The reason behind that is someone who has a million followers, typically the engagement rate for that person is 1 to 2 percent. That means out of all the million people that follow them, only a very small amount actually engaged with the post, liked it, commented, and shared it. Whereas microinfluencers—and especially student athletes—have a very dedicated following. Even if they only have 2,000 or 5,000 followers, the engagement rate of their audience is upwards of 25 percent. From a marketer's perspective, they would much rather use a platform, like NOCAP Sports, who can help them reach 50 influencers and spread the money out from their marketing budget; they get a lot more "bang for their buck" in return because the engagement rate is so much higher with the microinfluencers.

Vice Chair Lange:

We had a presentation from the NCAA, and I felt they have a hands-off approach where they are not making any decisions, they will follow the process and see how it goes, and then if they need to step in, they will, or wait for some national legislation to happen. This is troubling to me; I am concerned that some schools will have recruiting advantages over others. In the past, kids would choose a university based on its program and how they could better their skills by being a part of that program. I worry about that being lost because now, to get your top-level athletes, it is more about the NIL contracts that you can get. What do you see in that realm?

Mr. Floyd:

Regarding whether or not I think the NCAA will actually regulate?

Vice Chair Lange:

Yes, and about the recruiting. Do you think the athletes that you represent or who are part of your group are moving more to universities based on the money and the contracts they can get, or is it still about the program?

Mr. Floyd:

I think it is hard to say because we are not even a full year into NIL yet. From our perspective at NOCAP Sports, we are a completely open marketplace, so we do not have any allegiances to certain schools. We are not trying to facilitate specifically for any individual. We are trying to help bring deals onto the platform for every student athlete who uses NOCAP Sports. Just being practical, I do think that NIL deals will influence in some form or fashion. A majority of 18- to 22-year-old students do not have financial stability in a lot of cases. I worked on campus for almost a decade and a lot of student athletes in the revenue-producing sports—men's basketball, women's basketball, football—do not usually come from socioeconomic backgrounds that are very strong, so I could see an NIL deal being attractive to help them or their family. I do think it is going to play a role in some way to recruit them to schools. I still think a large chunk of student athletes who are not in the revenue-producing sports will still put the school, the school reputation, the degree, the program, and all those things ahead of NIL deals because presumably, they are not going to be looking at life-changing money. To some degree, it depends on the student athlete and the situation.

Vice Chair Lange:

For the UNLV folks, I really appreciate your presentation, particularly the challenges, because those challenges are the things I think about as well. Part of the role of our Committee is to come up with recommendations on how this program is going to work in our state. If you were to think about how we could be most helpful to you and to the universities and colleges in our state, could you tell us what you would like to see us do, but also what we should stay away from so it would not be too restrictive? I am concerned about that as well; I want to be able to give our athletes the best opportunity possible.

Mr. Hersh:

I think from an on-campus practitioner standpoint, we want to continue to look for guidance on what we can do and what rules are in place that make our jobs on a day-to-day basis easier from a global landscape. We do not want to put our in-state institutions at a

competitive disadvantage where the state law is too restrictive. I think it is that fine balance of not putting Nevada institutions at a disadvantage while also supporting the on-campus practitioners, like Stephanie and myself, I think you best accomplish that by doing what you are doing right now—talking to the people who are on campus, who see the challenges, who are dealing with this on a day-to-day basis—I think that would ultimately best support these efforts.

Ms. Valentino:

I think one of the other areas is to continue to enhance education. [Assembly Bill 254](#) says an institution may require education. I think the more education that we can provide to our student athletes, the better—whether that is on campus or a platform that all state student athletes can access—anything like that to continue to provide them education at the state. Like Sam mentioned, with 18- to 22-year-old students, it is sometimes hard to get them to disclose and do those types of activities. The more that we can put that in front of them, the better.

Mr. Nepomuceno:

What I have seen—and what we are seeing with Florida and Alabama now trying to repeal their state legislation—is that we are going to be able to provide feedback on a framework where we can be a little bit creative with the language within that framework. What is actually required versus what is recommended? I think we will go a long way with the flexibility that campuses will have in terms of what they can and cannot do from a resource standpoint. We have chatted a little bit about how all these schools are designed very differently. What could be recommended and pulled off at one school, another school may not be able to do because they do not have the staffing or expertise. What we do not want to do is handcuff institutions to have to do something that may not be feasible.

Ms. Nevarez-Goodson:

One of the challenges represented by UNLV was the differences in state laws. I was curious whether the institutions, through this process, would have recommendations to us about what types of information they would want in the state law. In other words, what types of state laws would not create a competitive disadvantage for our institutions in this space? I wondered if that might be forthcoming from any of our institutions, as far as recommendations.

Ms. Valentino:

I think one of the other areas was institutional involvement. Our state law does not mention that. Other state laws that allow for that are very specific. Outlining that, whether that is going to be permitted or not permitted, would be helpful in clarifying a lot of things.

Mr. Hersh:

When we file as an institution, the NCAA will a lot of times defer to state law or institutional policy. Sometimes that helps because we maybe have it outlined in our institutional policy or the state law, but sometimes we do not. I think that again, as the NCAA continues to defer to what you are doing in your state or what you are doing as an institution, more guardrails are key here.

Mr. Nepomuceno:

One of the critical issues to that is the uniformity. We can create our own state law, but if there are other laws that exist out there, then there could be an unintended recruiting advantage based on the differences of laws.

Chair Miller:

I would echo what Vice Chair Lange said that we are tasked with bringing some recommendations. I welcome all the institutions in our state to share if they have some ideas or thoughts that could be submitted that we could possibly look at. We are obviously not setting the policy here. We are putting ideas and thoughts together so that we can establish some ground or framework that can then be modified as quickly and efficiently with the national framework, whenever that happens. We want to make sure that our students are able to take the full advantage, but they also have the greatest support, as well as our institutions.

Ms. Norris:

I had a question surrounding standout students in smaller institutions and divisions and how their possible social media popularity could be marketed through third-party groups, like NOCAP Sports. With the current popularity of apps like TikTok and how athletes are able to go viral and then grow a very large following after those viral videos, how are smaller student athletes in less noticed institutions able to market off of their popularity?

Mr. Hersh:

I think one of the first big deals that I saw when NIL passed was through TikTok. Two twin women's basketball players at California State University, Fresno, started to go viral and they have accumulated a lot of NIL income throughout the past year. I think, regardless of the level—Division I through the National Association of Intercollegiate Athletics (NAIA), NJCAA, Division II, and Division III—anybody that has a following and a good brand or product is going to be able to engage in these opportunities. I think it is selling yourself and finding things that work for you.

Mr. Floyd:

The brands care more about the engagement rate and the number of followers. The school that they go to or the sport they play comes secondary. For example, we just ran a TikTok campaign with Cheesecake Factory and DoorDash and they selected athletes from across the country, a variety of sports, and a variety of divisions. They were selecting athletes based on the engagement rates and what would be best for their brand and reaching audiences who are likely to engage with their products.

Chair Miller:

How many NIL students do we have at UNLV?

Mr. Hersh:

Would that be specific to who is registered with our third-party or actually disclosed deals?

Chair Miller:

Specific to those who actually have deals.

Mr. Hersh:

Currently, over 100 deals have been disclosed to us as an institution. That does not mean that every deal that a UNLV student athlete is involved in has been disclosed. As I mentioned earlier, sometimes we are doing that on the back end.

Chair Miller:

I know it is still early, but is that an average number per institution or are they significantly higher or lower? Where do we fall in that spectrum?

Ms. Valentino:

Depending on the landscape, it is average in non-Power Five conferences. I sit on NAAC, which is the National Association for Athletics Compliance, and we have a cross section of colleagues from across different institutions. There is one Power Five institution that I remember speaking of over 500 plus deals disclosed. The other thing to note in the 100 deals that Samuel mentioned, there might be one student athlete who has multiple deals or there might be a student athlete who only has a single deal; it is a cross section of disclosures.

Chair Miller:

Do we know whether what we are seeing is an average rate of what these deals look like?

Mr. Hersh:

Specific to dollar amounts, it varies. In some of the revenue sports, they are higher dollar deals, and in some of the nonrevenue sports, they are lesser amounts. We are also seeing gear or a free meal in exchange for a service, or sometimes it is 15 percent off a business. It is not necessarily a monetary value, but in fact, it may be another sort of item of exchange.

Chair Miller:

In your relationship with NOCAP Sports and the students, who compensates NOCAP Sports? Is that on the student's side or on the institution's side?

Mr. Floyd:

We only make money from the brands. We do not charge the schools or the athletes. We only make money from the brands that do deals on the platform. For example, let us say Nike paid an athlete \$100 to promote their products, they would pay us \$15 as a separate service fee. The athlete would get all \$100 that they negotiated, and then Nike would pay us \$15 on the side for hosting the platform and bringing everyone together. We automate the compliance and tax forms for both the business and the athletes to help. We never take any money from the athlete or the school.

Chair Miller:

Thank you for your time this afternoon.

AGENDA ITEM V—PRESENTATION ON CURRENT POLICIES, PROGRAMS, AND CHALLENGES RELATED TO NAME, IMAGE, AND LIKENESS USE AT THE UNIVERSITY OF NEVADA, RENO

[This agenda item was not heard.]

AGENDA ITEM VI—PRESENTATION ON POLICIES, PROGRAMS, AND CHALLENGES RELATED TO NAME, IMAGE, AND LIKENESS USE AT JUNIOR COLLEGES

Thom McDonald, Commissioner and Region XI Men's Director, Iowa Community College Athletic Conference, National Junior College Athletic Association (NJCAA):

I am on the NJCAA Board of Regents, and I am also on the National Association of Basketball Coaches (NABC) Board of Directors. I am the Executive Director of the NJCAA Men's Basketball Coaches Association. What the NJCAA tries to do for their student athletes is to make it fair, equitable, and easy to enforce. In the document I sent (Agenda Item VI), you can see you can pretty much do anything you want, as long as: (1) you are not infringing on the institution in which you go to; (2) you are not being given money for being a good player; or (3) money is not coming directly from a booster to you for your athletic ability. When I met with the Iowa legislators, they wanted to leave it up to the NJCAA, NCAA, or the NAIA and make it as least restrictive as possible. Yesterday, I called a friend of mine who is in Florida, and they are trying to repeal everything that they have because it so restrictive to their coaches, institutions, student athletes, and anyone involved. I would reiterate what the NJCAA did and make it as easy as possible, fair as possible, equitable, and easy to enforce and monitor. I contacted all the regions in the country, and no one has any other bylaws except the NJCAA. They are following the NJCAA bylaws, that is it. The state of Iowa is doing the same thing.

Chair Miller:

Could you provide a little clarity on what you sent us? That would be helpful.

Mr. McDonald:

I sent what the [NJCAA has in place as of June 2021](#) as far as what will not cause a student-athlete to lose his or her amateur status:

- Participating in a radio or television show program for the purpose of promoting, amateur athletic events;
- Receiving compensation for supervision of physical education, playground, or recreational activities;
- Receiving compensation for use of NIL; and
- A member institution allowing a student athlete to receive compensation in compliance with their state law.

From what I am hearing, there are not a lot of things going on with two-year college student athletes, except maybe t-shirts or camp skill development—where they are doing lessons like a pitcher, catcher, a basketball player, or track.

The only restrictions are: (1) receiving compensation for NIL-promoted commercial product or enterprise and public or media appearances, so long as it does not conflict with the institution's, existing partnerships, sponsorships, or agreements; (2) institutional employees or boosters making direct payment to an athlete; and (3) direct payments from an institution in exchange for athletic performance or as a recruiting inducement. I hate to say it, but if a student athlete is getting an NIL, they are probably getting it because they are on a really good team or they are really good at what they do, which is going to be almost impossible to enforce, but that is the reality of what the atmosphere we are in with intercollegiate athletics right now. If you are a good player, you are going to get an NIL. If you are on a good team, you are going to get an NIL. What I will say again, what the NJCAA is trying to do is make it easy to enforce, easy to monitor, and as fair and equitable as we possibly can.

Mr. Irvin:

Thom and I know each other; we serve on the NJCAA Wrestling Committee together. The NJCAA is organized into regions around the country, whereas the NCAA is more organized by conference. Thom sent out requests to different regent leadership around the country, asking what their regions were doing relative to the institutions within those regions. Nevada is in Region 18, and I did not reply because I am on the Committee. Most of the other regions around the country are coming to terms with what this would mean for their institutions. "Small Little School" in "Little Town, U.S.A." that has two gas stations, and a convenience store are not the places with junior colleges that are going to have the issues. The cities and the more urban areas are where those possible letters could provide revenue for our students. I think we are going to continue to see the growth at the junior college level, but like a lot of things, we also wait for the NCAA and the NAIA to make those determinations and then we react to those based on that. Right now, within the junior college ranks, it is very wide open and generalized statement that allows NILs.

Chair Miller:

Thank you, Mr. McDonald, for popping in here during your travel time.

Mr. McDonald:

I will keep researching and sending stuff to Dexter, and you can send it on to the whole Committee.

Chair Miller:

Perfect. That would be excellent. Thank you so much.

AGENDA ITEM VII—PRESENTATION ON BUSINESS AND MARKETING RELATING TO NAME, IMAGE, AND LIKENESS USE

Chair Miller:

We have Rob Sine from Blueprint Sports joining us for this presentation.

Rob Sine, Cofounder and Marketing Revenue Chief, Blueprint Sports:

I am the cofounder of Blueprint Sports. We are a Nevada-based NIL marketing agency. My background includes time in the professional and collegiate sports world, including the Pac-12 Conference for three years; IMG and LEARNFIELD, who are the largest multimedia

rights holders for colleges across the country for three years; and then several stints in professional sports as well, on the revenue side. Our company is backed and supported locally by Andre Agassi, here in Las Vegas, and we have been in existence since 2020 in preparation for NIL. We power, currently, five collectives around the country, including UNLV, UNR, Tennessee, Gonzaga, and Arizona.

I will walk the Committee a little bit more through that, how we have been preparing, and what we have seen across the country since the beginning of NIL with July 2021 (Agenda Item VII). The evolution of NIL has come fast and furious and it has been a lot of pivoting that has occurred across the country, including with our own company. We started out as a traditional marketing agency allowing student athletes to be on a platform—a social, mobile marketplace—that allowed them to find brands and businesses and use sports families to do sports training across the country. At the behest of several donors, we began to build collective efforts around helping to work with student athletes on a larger scale level to provide more opportunities, deals, and financial resources available to them.

In July of 2021, you saw it begin right out of the gate at midnight that night. There were student athletes who had large social media followings all across the country announcing deals in New York City with cellphone companies and all sorts of different brands that were doing 6- or 7- figure deals. You then started to see team-wide deals that were done for entire football teams and programs. For example, at Brigham Young University (BYU), there was a company that came in and compensated all the walk-on student athletes to be able to be “scholarship student athletes” by taking part in their program with them. You then started to see collectives launched in September of that year. The Gator Collective at the University of Florida became one of the first ones, and one of the features that was unique to them, at the time, was crowdsourcing and marketplace funding. People could sign up and have subscriptions to get a unique kind of red rope access to student athletes that nobody else could get. They are at the point now where they are doing about \$40,000 in a month from a crowdfunding standpoint that goes back into the collective that is used to hire the student athletes to do charitable appearances and engagements across the city.

In the winter of 2021, you began to see more groups. Opendorse is an example of a company who has been around for a long time. They are what I would call “bulletin board companies.” Student athletes post themselves on their list, their social media statistics, and links to their platforms, and companies and brands come on there and look for opportunities to work with them. As some comments have been made earlier, the idea is that the more engagement and the more of a social media influencer you are, the more opportunities you have from that standpoint.

In the spring of this year, there are 60 known collectives—and I will talk more about that in a minute—that have been established across the country.

You have seen deals like Spencer Rattler, the former quarterback for the University of Oklahoma, who right out of the gate, before football season last year, had two car deals in Norman, Oklahoma, and Oklahoma City, Oklahoma; he proceeded to not finish the year as starting quarterback for the University of Oklahoma and has since transferred. Questions began to come up regarding what happens when you sign a star-studded athlete to an opportunity and he or she is not able to fulfill the contract with the obligation or does not perform on the field. That begins to cross over the pay-for-play conversation and a bunch of other red tape. It is a slippery slope.

Now, there is a convergence of NIL and what I would call “traditional school policies,” as far as how to be able to enforce, stay on top of, and help coaches make sure they are doing

things correctly and permissibly. The efforts that the UNLV compliance office and others are doing to help make sure that everybody stays focused and is following procedures with the evolution of the collectives of boosters now being involved and calling themselves different things and approaching this differently. It has become a complicated wild west for sure. There is a good opportunity to begin to try and figure out how this can be organized more. From my opinion, I think the NCAA is going to continue to stand on the sidelines, and I think that the federal government is not going to get involved at any time in the near future because one of the questions that I read in an article earlier this week that I thought was tremendous was, "Who is really being hurt by this right now?" There are a lot of concerns about coaching staffs and programs being loaded with talents that want to go and play for different schools because of these opportunities. We are going to have to focus on how to create something—to all the comments that have been made earlier—that can be perceived as equitable, although that needle and that goal line gets changed every single day. I mentioned the five collectives across the country, and there are some instances where coaches are in meetings with us along with athletic directors and school presidents and others where there is not; there is more of an arm's length relationship. In fact, there are some where we do not have any contact at all with the school, so it is a mixed bag. The one thing we do constantly hear is we need direction; we need something we can hang our hat on. As we have also mentioned earlier, we have seen several states already look to change their state laws because of the outcry back from the schools saying, "We do not have a competitive advantage anymore." There is a lot going into it.

For us, when we look at NIL collectively—and this will always be debated—we think there are four types of companies that are out there. The first one is marketplaces, as we mentioned earlier, where you get a chance to post yourself up on a platform and wait for opportunities to come to you. The second are companies that are helping with compliance and doing their best to record opportunities and get them back to the compliance office to make sure that they stay permissible according to the interim policy the NCAA put out, the state policy if it exists, or the school policy if they have written it. The third is education organizations who have come up and said, "How do we put together curriculum designed to help the student athletes?" A lot of comments that we have heard so far today about taxes are not a recommendation; they are a law. You need to make sure you are following things like that. The last is agents. We work with a number of programs across the country or student athletes who have agents and understanding what their involvement is, what their position is, and how they are approaching this moving forward. There are a lot of different types of companies that are out there. Our belief is, in the next year or so, you will see this condensed down to a smaller number that are able to provide more of a robust solution back to the student athletes to help support athletics and make sure they are doing things in a permissible level. A lot of companies have risen up to see how they could fit into this, so it has become a crowded marketplace. There is a lot of misinformation that goes around as far as who is doing what, who is helping, and who is truly making an impact. For us, we have done our best to collect this into four categories that we have here for you today.

There are four challenges that student athletes have today. The first is awareness of opportunities. Including one of the questions that was asked earlier, a lot of people assume these are only for the influencer student athletes who have a million followers on TikTok or for the star-studded players on sports programs—it is not true. Their belief is, "Well, this is not for me. I am not going to get any opportunities," or "I am going to try and do something that I think is the right thing for me, go get a trade for a television, or go do some marketing for a local restaurant." They will take it in their own hands. The second challenge is tax implications, as we have talked about. There are different methods. Student athletes are getting paid in everything from Venmo, PayPal, Stripe, and cash and not all companies that are doing that are assisting the student athletes. Suddenly, there is a

myriad of challenges that they have with, "Wait, I did an event last month. Did I get paid for that? If so, where is that? How do I report that? Do I have to report it?" The lack of guidance is another challenge. Athletic departments, very few of them have a fulltime committed NIL coordinator or active compliance office that is involved in helping to make sure that the education and the programs are put in place to provide solutions. The last challenge is the predatory companies. Some groups are not looking for the student athlete's interest; they are looking to simply make sure they have what they need to get done. We have had contracts presented to us that student athletes, here locally, have been approached with and I would not have my worst enemy sign it because there were too many things that were going to hold them. Things like, "I own your exclusive rights for the next three years," or "You can only drive in a car with me to appearances, you cannot go by yourself." And the student athletes have no understanding so they come to trusted resources, whether they are compliance offices, which can only do so much, or groups like us, or others that are looked at to be helpful for them. We put these into the categories as four challenges for them.

The next thing we have is "fears." I use the word on purpose because when I look at college athletics, there is a lot of concern. A lot of people are worried right now. There are groups that are worried about what NIL is going to do to their fundraising levels on campus. What is it going to do to their multimedia rights guarantee? What is it going to do to their coaching? We have had comments made before that collectives and NIL are going to become the most powerful thing in college athletics in the next few years because they are going to drive recruits, coaches, and school popularity. The number one fear is compliance. We have heard this today. I think it is challenging. I have teenage daughters and I cannot get them to answer the phone when I call them, much less have somebody who is in college produce a report or submit to a compliance office that they are getting an offer. The second fear is rogue fans and alumni. Everybody has a guy, a gal, or somebody waiting around the corner saying, "Hey, come with me. I will help make sure you got gas in your car," or whatever the case might be. The third fear is the legislation. These student athletes and the athletic departments are saying, "Please give us guidance," and there is not much out there right now. The last fear, in certain instances, is there are coaches as bad actors who are saying, "Do not worry about what the policies are. Let us go ahead and get this deal done." We have not come across that yet as a company, but we have seen, read, and heard about this across the country. There are a lot of fears and challenges for athletics, and I think everybody is genuinely doing what is in their best interests and in the student athlete's best interest, but there are some bad actors out there for sure.

There are two types of deals that we have seen across college athletics. There is what we call foundational and then the other one is star-studded. Foundational deals are things like a team-wide deal, or it could be the fact that a student athlete comes from a background where his or her family does not have great credit and they go to apply for off-campus housing and have to put down a larger deposit because their credit is not very good. Instead of using their monthly scholarship check for general living expenses, opportunities, books, or things like that, they have to put it down as a deposit for their housing. Suddenly, they are in a position where they are not able to pay their rent and are behind with their scholarship checks or their stipend becomes smaller in the summer when school is not in session, and it is not enough to make ends meet. An example of the star-studded deal is the top transfer prospect who left Kansas State University and went to the University of Miami and received a car and an \$800,000 NIL deal over two years. One of the things that we pride ourselves on, and that we talk a lot about when it comes to NIL, is that 95 percent of the student athletes are not getting this offer. The top 5 percent across the country in their sport—it could be softball, baseball, swimming, gymnastics, basketball, et cetera—are getting these opportunities in different levels. But the foundational programs, which we

are a fan of, ask how do you address things like living expenses and general opportunities for the student athletes? We helped put together a program for the UNLV men's basketball team last year that was backed by Findlay Automotive and LOGIC Commercial Real Estate in Las Vegas that provided every member of the men's basketball team, including the walk-ons, \$500 a month in exchange for appearances and engagements throughout the community during the season. The feedback from the team was that it took some pressure off of them and it was nice to know that they had this on a regular basis. They were working directly to say, "Where is our appearance next month? What are we doing? Who are we engaging with? What are the opportunities that are out there?" Programs like that, we believe, make a foundational difference. Rising tide lifts all boats. If you can continue to make student athletes and programs stronger, this is a great way to have a positive impact from NIL. Some other examples we have had are if you have 35 members on a soccer team and there are nine scholarships; how do you spread that around? College baseball teams have some of the same challenges. How do you help make sure your student athletes are paying attention to their academics, handling their responsibilities to the athletic department and the university, and are not driving DoorDash during class or on the weekend until 2 or 3 a.m. because they are not able to make ends meet? That is not every student athlete, but those are real world examples that we have come across and seen since July of last year. We have worked to put programs in place to help alleviate some of that.

Let us talk about collectives for a second. An NIL collective is a group of passionate fans—it could be donors, supporters, or businesses—that come together to create NIL opportunities for student athletes at their favorite university. Our company specifically gets together with groups of donors, supporters, and businesses and helps put together a compliant and structured program around their athletic program and focuses on the sports that they want to focus on. They raise, oftentimes, several hundreds of thousands of dollars—if not millions of dollars—together and then work with us to deploy in the compliant manner back to the student athletes, and we help them continue to make sure that they have some foundational- and merit-based programs, if there is somebody that they are a fan of who they think is worthy of a good opportunity. Collectives are not affiliated with the schools. We do not need an athletic department to say, "Yes, we want to work with you guys," but we prefer to be in good harmony with the athletic department. We understand their mission and goals. While they are not always directly aligned together, the idea is to "play nice in the sandbox," so to speak. For example, we have compliance calls every two weeks with UNLV to have conversations with their team to ask questions, to share information that we are hearing. If they have questions for us, they are able to do that. We understand fundraising goals and working with multimedia rights partners. We have had instances with some of our collectives where we have ended up writing a check to the multimedia department, the LEARFIELD group, in order to do something around a spring football game. It is best for us to work in harmony with an athletic department and understand their goals and objectives, but we are not directly affiliated with them and operate outside of their purview.

We call our collectives "Friends of" and we currently have five collectives. We have yet to continue to change a few of these that are out there, but the "Friends of" program is powered by us, and we handle a number of things. We have got the: (1) Friends of Basevols with the University of Tennessee; (2) Friends of Spike with Gonzaga University; (3) Friends of the Pack with UNR; (4) Friends of UNILV with UNLV; and (5) Friends of Wilbur and Wilma with the University of Arizona. Each one is focused to make sure that we are following procedures, compliance, and the programs that either the school or the state have put in place to make sure they are permissible for the student athletes moving forward.

Our approach is full transparency and making sure that we work with the university athletic departments. For example, with UNLV, we are working with the student athletes to make sure they follow the right reporting procedure and the process for compliance that they have made a request on. We provide the student athletes with their materials. They then go back and report it through another third party. We also have the ability to pipe the offers right into compliance for acceptance, denial, or approval, et cetera. The last part is education. Tax reporting, opportunity vetting, and going through and making sure that we are working. We have local teams in each town we work in; this is not something we do remotely from a different state or city. The idea is, how do you get embedded into a community and truly understand the student athletes and their needs and wants, understand athletics and their needs and wants, and work together to create a harmonious program that is compliant and works together. We handle everything from the deals being accepted or coming to us and appearances. You may or may not be surprised but student athletes do not know what they should wear or what they should say. Do they have Sharpies with them when they actually need to sign autographs? Do we need to call an Uber to make sure they get there on time? Things like that. We consider ourselves a third or fourth parent at times. The idea is to help make sure that we teach them how to be professionals off the field, off the court, and outside of the gym in addition to what they are learning at school.

Tax reporting is an interesting one because a lot of people can do the 1099 Form. What we have started to do is offer a solution where we will impound 20 percent in taxes from every transaction and make quarterly payments to the IRS directly on behalf of the student athletes and provide them with statements and resources. Again, our goal is to look at how we can make this as streamlined and easy as possible while following the law and compliance guidelines and making sure that the student athletes can focus on what truly is the most important—which is their education, their performance, and their requirements to the university in athletics—and then building their brand outside of all those.

Our answers to challenges that face student athletes are fourfold. Our collectives are nonexclusive. The student athletes do not sign away their rights to work with us. It is a free market; they can work with whoever they want to. They opt-in to programs that we have. Even with programs like the car allowance program that I mentioned earlier, the team-wide foundational deal, we had student athletes who would opt-out of it each month they had a conflict, or one of the student athletes had an agent and so it was not a good fit that month—whatever the case might be. We bring opportunities to them instead of them having to sit back and wait for somebody to knock on their door and say, “Hey, I think you are pretty good. I would like to work with you.”

I talked about the tax implications and us withholding taxes and then being able to make quarter repayments.

Because we have the dedicated team in-market who works with athletics and who understands things that are happening from a national perspective, we can be that resource for the student athletes. We also bring in experts and resources to talk. With the UNLV men’s football team, the graduating seniors last year were able to earn a free, custom-made dress suit from a former alumnus and a local businessman in town. One of the things that was required by the student athletes was to go through a financial literacy online course. They were able to begin to understand what it was they were getting into and to graduate, and we were able to help send them off in style. They had a brand new, custom-made dress suit, and we had student athletes crying in the dressing room and on the phone with their parents saying, “I have never had this opportunity before.” When you get a chance to help change some lives and do things like this—help educate them and

prepare them for the future—that gets you excited to be able to know that you are in this for the right reasons.

With us being the collective, we have done over 100 transactions here at UNLV, for example, and with other programs around the country. Our numbers begin to become some of the dominant ones that are done. We handle most of the transactions of the properties that we are at. We are able to make sure they know that there is a trusted resource they can go to and that they have options. Also, businesses and brands that are looking for opportunities know to come to the “Friends of” program. It begins to galvanize the community. It begins to build a container that allows everyone to know there is a trusted source to work the student athletes. We can trust that compliance is going to be met the right way, that tax reporting is going to be handled the right way, and that the student athletes are actually going to do what we are hiring them to do.

Some solutions we have for athletic departments:

1. Compliance;
2. Rogue fans and alumni—Being able to organize this the right way and have leadership in place, we created advisory boards around each collective that allow us to work with and have a barrier between athletics. We are not always permitted to have conversations with coaches or with athletic department personnel, but it allows us to go through and flush out the rogue fans and alumni who may be trying to build something on their own and take kids to appearances at bars and things like that. Instead, we have much better solutions in place for them to do charitable appearances and other engagements in the community.
3. Vague legislation—Our team is up on what is permissible and what is not. Any time we have a question, we go to a compliance department and have a conversation with them, and we are able to get the limit of what they are able to bring back to us so that we avoid putting student athletes in compromising situations.
4. Keeping coaches from being bad actors—Maintaining accountability through overcommunication and also truly understanding the goals and objectives. Frankly, one of the things that is happening is that coaches are looking at this and asking, “What is my official program that is in place that I am able to point recruits to when I go through the transfer portal, or I go through traditional in- or out-of-season recruiting processes?” The number one question that recruiting coordinators for sports programs and coaches across the country are getting is, “What is your NIL program? What is in place?” If it is not marketed the right way and not put out there with proven results correctly, coaches sometimes will begin to resort to their own means. We have not yet experienced it as a company, but we have read and heard about coaches being concerned that they do not have this program put in place and they go and do their own thing. With this, we are able to educate the coaching staff, provide them with direction and where they can point recruits and current, former, and future student athletes to. It takes the pressure off them to go do something they would not want to do naturally.

In the end, I think this is a tremendous opportunity for you and from a recommendation standpoint to help keep Nevada at the forefront of NIL. There are a lot of opportunities to empower the student athletes to make a difference in the community. Again, this is not about going out and getting car dealers, it is about how you can do youth sports coaching and work with nonprofits and organizations who love the institution and the team that you

are a part of now and who revere you for your hard work and effort you have been putting to get to this point in your career.

I would be happy to answer any questions you might have.

Chair Miller:

Thank you for that very thorough presentation. Any questions, members?

Mr. Irvin:

In our small institution, we do not get any state funding and we rely heavily on corporate sponsors. How does your program affect those corporate sponsors? I know UNLV and UNR have extensive corporate sponsorships, but they also get large subsidies from the state, which we do not. It concerns me, as a small college guy, that the corporate sponsorships evaporate because the NIL deals are going to the students and then we cannot fund the program for everyone.

Mr. Sine:

There are three sources of revenue that I believe are out there for NIL: (1) donations and contributions from donors; (2) crowdfunding; and (3) corporate partnerships. With all of those, each one raises a red flag around the campus because they think, "What does this do to cut into the current pie that I have grown and worked so hard over the years to build?" We believe and approach this as an "and" conversation. Our goal is not to go out there and undercut current efforts and goals but to continue to do what you are currently doing to support the athletic institution and being able to serve and work with the student athletes. I think, frankly, there is going to be a movement in the future where brands who have had only-access to look like they support athletic programs by doing multimedia rights deals are going to begin to see that the most valuable piece is the student athlete himself or herself and working with them could perhaps provide a better impact. That is something to be very aware of. I also think that it is about how you have an "and" conversation as much as possible. Continue to support and to be an official sponsor *and* these are opportunities to engage and work with the student athletes directly. I have also seen multimedia rights companies begin to insert solutions into that to help with social media opportunities that can give some of the brands the ability to do both—continue to be an official athletic sponsor *and* work with some of the student athletes via social media.

Mr. Irvin:

The specific one that you mentioned for UNLV men's basketball—again, it is a whole different world for us in smaller environments—they have not been as "and" oriented, if that makes sense. As the market has grown in Las Vegas with professional sports, the money is trickling up and not down. That becomes a greater challenge for us.

You mentioned an unintended consequence. In your agreements, for example, you said a student may not show up, so you have to call an Uber. Well, that used to be a violation of extra benefits. Is that now part of the agreement that you put together?

Mr. Sine:

That is part of the program that is built. We do not control the engagement. The third party comes to us and says, "I want to work with the student athletes," or the donors pool together money and say, "We want the student athletes to go to appearances." A contract is

built for every one of these, and there are contingencies put into it that say if you are not able to get there or you do not have transportation, an Uber will be provided as part of this deal that you are doing. All of which is signed off on by compliance ahead of time.

Going back to your last question about the corporate partnership, specifically the pie getting smaller, that is why I personally believe the collectives and having the local boots on the ground are important because a lot of this needs to be focused on—new money and new opportunities that are out there—instead of low-hanging fruit that everybody wants to call on and go after. The example with the men's basketball team with Findlay Automotive—they are a large sponsor of UNLV athletics and pretty much everything else here in town—is they wanted to put together this program and they went out to help find other donors, fans, and supporters to be a part of this too, so they were not having to foot the whole bill. It was truly the collective approach.

Mr. Nepomuceno:

I feel like our spaces balance each other out. I appreciate how you ended this in terms of Nevada must continue to be at the forefront of NIL. I will take it back to your first slide that talked about the evolution of NIL. If you were to peek around the corner and build out slides 7 and 8, where do you think this is headed?

Mr. Sine:

That is a loaded question. I made a comment earlier that it is my personal belief that the NCAA is not going to step in to create official rules anytime soon. I do not believe, from a federal standpoint, that is going to happen within the next year or two. My belief is that it is going to continue to be what you see now. It is going to continue to be in this purview where it is up to the states to help build a program that, on one hand, is supporting their institutions and giving the student athletes the opportunities, they are supposed to, and on the other side of it, keeping the opportunities competitive. One thing I think we will begin to see—I have heard this, but I do not know anything specific on it—is portion of television deals for conferences may begin to come out and be shared directly with the student athletes. That is something that I have heard. I do not know if anything about that is actually happening. When I joined the Pac-12 conference, they went from 10 to 12 schools and the Pac-12 network was born. You start to look at some of the money that comes out of these next round of negotiations and the programming for these television networks and you begin to think about, "Well, instead of \$3 million dollars a year given to each member of the conference, or whatever the amount would be, what if 'X' percent was taken out and paid equitably across the student athlete base on campus because they are the ones that are helping to build that programming along with the institutions?" That is one thing that I continue to believe could be a discussion point in the future, but I do not have anything to know that is truly going to happen right this second. It is a guess at this point. I think collectives are here to stay. I think one of the benefits behind them is they are proactive for student athletes, so this is not just a star-studded deal. How do you go out and do programs for the other 95 percent of student athletes? At UNLV, for example, we focus on football, men's basketball, women's basketball, men's and women's soccer, golf, and baseball. While that is not every sport, it is a good start.

How do you put efforts into and build "to the grassroots level"? With supporters that can help support more than just the football team, quarterback, point guard, softball pitcher, or whatever the case might be. I think collectives are here to stay. I think television revenues are going to be analyzed and looked at as far as given to student athletes. I think it creates a whole new can of worms. Then you start to get into our student athletes, employees, and

things like that. There are a lot of twists and turns, but I can almost guarantee you, Eric, that it will not be the same by this time next year.

Chair Miller:

Mr. Sine, I hope that if we have more questions or need to reach out again that you will be available to us, but I think this is very good and thorough.

AGENDA ITEM VIII—PUBLIC COMMENT

Chair Miller:

[Chair Miller called for public comment; however, no testimony was presented.]

Thank you all to the members, staff, and everyone who testified before the Committee today. Your information was valuable to how we move forward. I encourage everyone who has spoken today—if you have recommendations on how we can start to put this framework together so that we are attractive and supportive with our NIL deals for athletic programs and for our student athletes—please submit them to our Committee so that we can put them together for the Joint Interim Standing Committee on Education.

An archived video of today's meeting will be available [online](#).

Finally, I would like to note to Committee members that after today's discussions, if issues pop up on your radar that you think this Committee may be interested in reviewing, please let me know. Our next meeting will be on Thursday, May 26 at 1 p.m. While I prefer we meet in person, we have the virtual option as well. Please do whatever you can to participate. Staff will be reaching out to everyone to make sure we know what your preference is.

That concludes our business for today.

AGENDA ITEM IX—ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,

Maria Aguayo
Research Policy Assistant

Alex Drozdoff
Senior Policy Analyst

Jennifer Ruedy
Chief Principal Policy Analyst

Jen Sturm
Senior Policy Analyst

APPROVED BY:

Assemblyman Cameron (C.H.) Miller, Chair

Date: _____

MEETING MATERIALS

AGENDA ITEM	PRESENTER/ENTITY	DESCRIPTION
Agenda Item IV	University of Nevada, Las Vegas and NOCAP Sports	PDF presentation
Agenda Item VI	Thom McDonald, Commissioner and Region XI Men's Director, Iowa Community College Athletic Conference, National Junior College Athletic Association	Handout
Agenda Item VII	Rob Sine, Cofounder and Marketing Revenue Chief, Blueprint Sports	PDF presentation

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