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NCAA Institutes Multi-Year Scholarships

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NCAA INSTITUTES MULTI-YEAR SCHOLARSHIPS

Recently, the NCAA passed new legislation allowing member universities to hand out multi-year scholarships to student-athletes. The legislation originally went into effect in October 2011 when it was approved by NCAA president Mark Emmert and the NCAA Board of Directors.[1] Almost immediately, athletic directors, coaches, and universities mounted strong opposition against the multi-year scholarship plan. In January 2012, more than 75 universities banded together to ask that the legislation be overridden.[2] This was the minimum number needed to have the amendment re-examined by the Board of Directors. Later in January, the Board decided to put the legislation before all of the 300 plus members for a vote. In order to overturn the multi-year scholarship plan the members needed 5/8 of the schools to vote against the legislation, the equivalent of 62.5%.[3] With 330 schools voting, the total was 62.12% against the legislation.[4] The opposition to the multi-year scholarship program was a mere two votes shy of repealing the legislation. As it stands now, schools are allowed to offer multi-year scholarships to student-athletes, although it is not mandatory.

The idea for the multi-year scholarship legislation initially was proposed during an emergency Board of Directors meeting held in August 2011. The legislation was meant to address concerns regarding anti-trust law suits and the lack of compensation for student-athletes. Recently, the NCAA has been under heavy scrutiny concerning their policy of one-year scholarship offers. There have been several lawsuits over the issue and a warning issued by the United States Justice Department. In October 2010, former Rice University football player, Joseph Agnew, sued the NCAA over its one-year athletic scholarship policy.[5] Agnew played two seasons for the private Houston school before coaches told him in 2007 his scholarship would not

1. David Barron, *Colleges Weigh Merits of New NCAA Multi-Year Scholarship Rule*, www.chron.com, Feb. 11, 2012, http://www.chron.com/sports/college/article/Colleges-weigh-merits-of-new-NCAA-mulityear-3305518.php#page-1

2. Michelle Brutlag Hosick, *Multiyear Scholarship Rule Narrowly Upheld*, www.ncaa.org, Feb. 17, 2012, http://www.ncaa.org/wps/wcm/connect/public/ncaa/resources/latest+news/2012/february/multiyear+scholarship+rule+narrowly+upheld

3. Id.

4. Id.

5. Alan Scher Zagier, *Schools Object to Scholarship Plan*, www.ap.org, Dec. 21, 2011, http://espn.go.com/college-sports/story/_/id/7392725/schools-object-ncaa-multiyear-scholarship-plan

be renewed.[6] In September 2011 a federal judge dismissed Agnew's complaint.[7] Recently, the Justice Department made a statement saying that their anti-trust unit was keeping an eye on the NCAA.[8] President Emmert and the Board of Directors hoped that multi-year deals would silence critics on the compensation issue and keep rumors of anti-trusts lawsuits to a minimum, only time will tell.

Critics to the multi-year deal cite many reasons why this legislation will hurt college athletics. One of the biggest is the financial impact that will accompany multi-year deals.[9] Many universities are loathe to guarantee money to students for 3 or 4 years when there is the possibility that they may get hurt.[10] College coaches and athletic directors also say the multi-year deal hamstrings coaches by making it impossible to get new players. There is an argument that coaches cannot know when a recruit will be a good fit for a program and that to give a four year scholarship to an unproven 17 year old is a big mistake. There is also the argument that student-athletes can ask to leave a university at anytime, but that universities have to guarantee them scholarships.[11]

The real consequence of this legislation might be seen in the upcoming years at the recruiting level. Universities may find themselves in a bidding war over recruits.[12] For example: University A offers 3 years at 75% tuition to a recruit and then University B come along and offers 4 years at 65%. Now all of the sudden student-athletes are basing their decision primarily on money and guaranteed years. For student athletes, this makes the college selection decision incredibly more complicated; even to the point where having an agent might make sense. The universities might also struggle to know exactly what a recruit is worth, whether it is a full scholarship for two years, a partial scholarship for four years, or any combination of the two.

With all the negative criticisms surrounding the multi-year legislation many wonder if there will be any positive impact on the NCAA

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6. Id.

7. Id.

8. Doug Segrest, *College Athletes' Rights: Some Athletes Lose Their Single-Year Scholarships to Better Players*, Birmingham News, Oct. 24, 2011, http://www.al.com/sports/index.ssf/2011/10/college_athletes_rights_some_a.html

9. David Barron, *Colleges Weigh Merits of New NCAA Multi-Year Scholarship Rule*, www.chron.com, Feb. 11, 2012, http://www.chron.com/sports/college/article/Colleges-weigh-merits-of-new-NCAA-mulityear-3305518.php#page-2

10. Id.

11. Id.

12. David Barron, *Colleges Weigh Merits of New NCAA Multi-Year Scholarship Rule*, www.chron.com, Feb. 11, 2012, http://www.chron.com/sports/college/article/Colleges-weigh-merits-of-new-NCAA-mulityear-3305518.php#page-2

and the answer is yes. This legislation allows athletes to maintain their scholarship for multiple years which eases financial burdens on the students and their families. It also increases the odds they will graduate from their prospective universities. In the past, it was not uncommon for a scholarship player to lose his scholarship when he fell out of favor with the coaching staff or if a new coaching staff was put in place for the athlete to be removed. This legislation will prevent the arbitrary revocation of scholarships from student-athletes. However, coaches and athletic departments will still be able to revoke a scholarship based on disciplinary or academic deficiencies. In the end though, student-athletes will benefit from this legislation because the multi-year deal better guarantees financial stability and continuing education. While this legislation will increase the complexity of the recruitment process, it is a positive step towards taking better care of the student-athlete.

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