REPORT OF THE
NCAA DIVISION I AMATEURISM CABINET
JUNE 28-29, 2011, MEETING

***KEY ITEMS*.**

1. **Earmarked Expenses for Prospective Student-Athletes in Individual Sports.** The NCAA Division I Amateurism Cabinet is proposing legislation to permit an individual, prior to collegiate enrollment, who is participating in an individual sport, to accept expenses for athletics participation from outside sources (not otherwise permitted by the NCAA) provided the funds are not provided by an agent or an institution.

2. **Agent Activities**. The cabinet continued its comprehensive review of agent activities. The concepts discussed included an evaluation of the use of agents for prospective student-athletes participating in nonopt-in draft sports, implementing an agent registration program and the creation of a national professional sports counseling program. In addition, the cabinet is proposing legislation to expand the definition of an agent.

3. **Prize Money for Tennis Prospective Student-Athletes.** The cabinet is proposing legislation to permit tennis prospective student-athletes to accept prize money not to exceed $10,000 per calendar year. Further, to specify that once the individual has reached the $10,000 limit, he or she may receive additional prize money on a per event basis, provided such prize money does not exceed his or her actual and necessary expenses for participation in the event.

***ACTION ITEMS*.**

- **None.**

***INFORMATIONAL ITEMS*.**

1. **Legislative Items.**

a. **Individual Sports - Competition Expenses Earmarked for Prospective Student-Athlete's Use.**

(1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to permit, in individual sports, an individual prior to initial, full-time collegiate enrollment to accept up to actual and necessary expenses associated with athletics competition or practice

immediately preceding competition from someone other than an agent or member institution.

(2) Effective Date. Immediate.

(3) Rationale. Currently, a prospective student-athlete may only accept expenses to compete in an athletics event if the expenses are provided by his or her parent or legal guardian, the nonprofessional sponsor of an event or an amateur team in which the prospect is representing. Prospective student-athletes who participate in team sports and who compete on outside teams are able to travel extensively and have their expenses paid in full or subsidized heavily by their teams, team sponsors and/or event organizers. Further, prospective student-athletes who participate on teams can go into their communities and fundraise for their team provided the money is not earmarked for a particular prospective student-athlete on the team. However, prospective student-atheletes who participate in individual sports typically are not associated with an amateur team or organization that can permissibly provide financial assistance under NCAA legislation. Further, these prospective student-athletes cannot fundraise or seek financial assistance within their communities to assist in covering expenses for an athletics event because the funds donated are considered to be earmarked for that individual. Therefore, prospective student-athletes who participate in individual sports are at a disadvantage because they have limited opportunities in which to permissibly accept expenses to compete in an athletics event. The cabinet believes that prospective student-atheletes who participate in individual sports should have the same opportunity to compete while having some or all of their expenses covered. The cabinet also believes that permitting prospective student-athletes to accept these expenses will enable those youth who do not have the financial resources to participate in athletics competition and further their athletic aspirations. The cabinet notes that the scope of this proposal is limited to the receipt of actual and necessary expenses for a particular athletics event and the practice that immediately precedes that event. Therefore, a prospective student-athlete would not be able to profit from competing in events.

(4) Estimated Budget Impact. None.

(5) Student-Athlete Impact. None.

b. Tennis - Prize Money Prior To Full-Time Collegiate Enrollment - $10,000 Per Year.

(1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to permit, in the sport of tennis, prior to full-time collegiate enrollment, an individual to accept prize money based on his or her place finish or performance in open athletics events, not to exceed $10,000 per calendar year. Further, to specify that once the individual has reached the $10,000 limit, he or she may receive additional prize money on a per event basis, provided such prize money does not exceed his or her actual and necessary expenses for participation in the event.

(2) Effective Date. Immediate.

(3) Rationale. Prospective student-athletes and their families spend exorbitant amounts of money for travel and other expenses related to competing in tennis events. Rather than limiting prospects to accepting prize money only equal to or lesser than expenses on a per tournament basis, this proposal would allow prize money to be accepted on the aggregate to help cover further expenses. Research by the United States Tennis Association Player Development staff place the top junior and senior prospective student-athletes as having made significantly less than $10,000 per year in prize money as prospective student-athletes, and combined with the financial costs to their families most are not earning any prize money in excess of their expenses. This proposal will allow prospective student-athletes to earn up to $10,000 without having to produce extensive documentation for prize money, as is currently required.

(4) Estimated Budget Impact. None.

(5) Student-Athlete Impact. None.

c. Definition of an Agent.

(1) Recommendation. The cabinet agreed to sponsor legislation for the 2011-12 legislative cycle to modify the definition of an agent to any individual who directly or indirectly:

(a) represents or attempts to represent a prospective student-athlete or student-athlete in the marketing of his or her athletics ability or reputation for financial gain; or

(b) seeks to obtain any type of financial gain or benefit from securing a prospective student-athlete's enrollment at an institution or a student-athlete's potential earnings as a professional athlete. This definition may include, but is not limited to, a certified contract advisor, financial advisor, marketing representative, brand manager or anyone who is employed or associated with such persons.

(2) Effective Date. Immediate.

(3) Rationale. The culture surrounding agent recruitment of prospective student-athletes and student-athletes continues to evolve. Historically, contract advisors recruited student-athletes on an individual basis and late in a student-athlete's collegiate career, as he or she made the transition from collegiate sports to the professional ranks. Over the years, however, the salaries of professional athletes have risen, age restrictions to participate in professional sports leagues have changed, notoriety of elite student-athletes has increased with scouting and media exposure and the interest of outside third parties in elite athletes is now greater than ever.

This, in turn, has created an industry of individuals including runners, financial advisors, marketing representatives, business managers, brand managers and street agents who seek to broker elite prospective student-athletes and student-athletes to both professional and collegiate organizations for financial gain. Although many governing bodies have attempted to impose regulations on these individuals and their activities, the competitive nature of the industry has resulted in many finding ways to skirt the rules.

One constant trend is the use of outside third parties to recruit and solicit prospective student-athletes and student-athletes for financial gain. These third parties operate free of any governing body's jurisdiction, and historically they do not trigger the NCAA definition of an agent. In order for the NCAA to attempt to regulate the interaction of these individuals with prospective student-athletes and student-athletes, the cabinet believes the definition of an agent must be broadened.

The proposed definition brings contract advisors, financial advisors, marketing representatives and certain third parties under the definition of an agent. In addition, it captures individuals who seek to gain financially from a student-athlete's potential earnings as a professional athlete, and those individuals who seek to gain financially from securing a prospective

student-athlete's enrollment at an institution. The cabinet noted that this proposal is not meant to capture parents or legal guardians, athletics department staff members, former teammates or those individuals who have the best interest of a prospective student-athlete or student-athlete in mind from assisting or providing information to a prospective student-athlete or student-athlete provided they do not intend to receive a financial gain for their assistance.

(4) Estimated Budget Impact. None.

(5) Student-Athlete Impact. None.

2. Nonlegislative Items.

a. Use of Agents and Advisor Prior to Enrollment. At the request of an NCAA Internal Working Group on Agent Legislation, the cabinet discussed potential legislative recommendations regarding the use of agents and advisors prior to enrollment for nonopt-in drafts that allow players to be drafted out of high school (e.g., baseball, hockey and soccer). In reviewing this issue, the cabinet noted that current legislation permits prospective student-athletes in all sports to receive advice regarding the draft process provided the individual providing the advice is not marketing his or her athletics ability or reputation, providing advice free of charge, or directly involved in negotiations with a professional team. The cabinet was not prepared, at this point, to extend the legislation to permit negotiations by agents/advisors.

b. Agent Registration Program. The cabinet continued its discussion of a proposed national agent registration program that could serve as a resource for institutions and student-athletes that would assist in the agent/advisor education process. The cabinet showed strong support for such a program and requested the staff seek feedback from National Association of Athletics Compliance, NCAA Division I Leadership Council and professional sports organizations.

c. National Professional Sports Counseling Panel. The cabinet appointed a subcommittee of the cabinet to establish a potential model of a national professional sports counseling panel.

d. Compliance Forms. The cabinet reviewed and approved Form 11-10a (General Amateurism and Eligibility Form for International and Select Student-Athletes). Over the next year, the cabinet will discuss the effectiveness of the form and whether the requirement to use the form should be modified or eliminated.

e. **Amateurism Cabinet, Chair Appointment.** The cabinet appointed Mark Hollis, Michigan State University, as the chair of the Amateurism Cabinet, effective September 1, 2011.

f. **Football Issues Group Update.** The staff provided an update regarding its recent focus on collecting information related to emerging recruiting trends in football. Several trends identified include:

(1) Involvement of street agents;

(2) Involvement of scouting/recruiting services and their relationships with college coaches and agents;

(3) Employment of individuals associated with prospective student-athletes at institutional camps;

(4) Marginalization of high school coaches during recruiting process; and

(5) Intent of nonprofit mentoring programs to insert themselves into the lives of prospective student-athletes and develop relationships with them and their families.

g. **NCAA Eligibility Center Update.** The cabinet received an update from the NCAA Eligibility Center amateurism certification staff including an overview of withholding conditions imposed since the inception of the NCAA Eligibility Center. The data shared included the most common conditions imposed, and the sports and foreign countries that have produced the greatest number of withholding conditions. The amateurism certification staff also provided an update on several educational initiatives, including the production of sport-specific international resources and the amateurism conference contact program**.**

Cabinet Chair: *Mike Rogers, Baylor University, Big 12*
Staff Liaison(s): *Rachel Newman Baker, Agent, Gambling and Amateurism Activities*
Angie Cretors, Agent, Gambling and Amateurism Activities
Jobrina Perez, Academic and Membership Affairs