

**Statement for the Record
(WRITTEN TESTIMONY)**

**Chancellor Rebecca M. Blank
University of Wisconsin–Madison**

Before the U.S. Senate Committee on Health, Education, Labor & Pensions

**Hearing on: “Compensating College Athletes: Examining the Potential Impact
on Athletes and Institutions”**

September 15, 2020

Chairman Alexander, Ranking Member Murray, and distinguished members of the Committee, thank you for inviting me to testify about the collegiate model of athletics and potential reforms around the issue of student-athletes’ ability to profit from Name, Image, and Likeness licensing.

The University of Wisconsin-Madison is the flagship university in our state. We are one of the largest research institutions in the country and provide a world-class education to our students. We are committed to sharing knowledge and innovation that improves lives in Wisconsin and around the globe. I’m proud to have led the university as Chancellor since 2013.

We’re here today to discuss collegiate student-athletes. In most of the world, talented young athletes leave school to pursue their sports; few advance to the top rungs of competition but all pay a price in lost opportunities for education. In contrast, the U.S. collegiate model of athletics allows students to pursue their athletic ambitions in sports as different as volleyball, wrestling, track and field, and basketball, while also receiving life-changing educational benefits from great institutions like UW-Madison.

Only a small percentage of college athletes go on to play professional sports after college. Since 2015, at Wisconsin we typically have around 800 students engaged with our athletic program in any year. Over the last five years we have had approximately 4,000 total student athletes on our campus. Of those student athletes, approximately 120, or about three percent, have gone on to play professionally; this means that 97 percent will not. But one hundred percent will benefit from the education they receive on campuses like ours.

I believe deeply that the student-athlete role is the right role for those who play sports at UW. The University of Wisconsin is the example of a strong program with student-athletes who perform well both in the classroom and in their sport. We are proud that our student-athletes not only compete for Big Ten and national titles, but they also are strong students in the classroom. On average more than 350 are named to the Dean’s List each year.

During the 2019-20 academic year, UW student-athletes majored in 84 areas of study. These majors represent all schools and colleges at UW-Madison except the School of Pharmacy. The multi-year graduation rate for our student-athletes is 90 percent. The overall rate for all NCAA Division I student-athletes is 88 percent for the data reported in Fall 2019.

Like other schools in the Autonomy Five, or Power Five, conferences, the University of Wisconsin – Madison provides broad-based support for our student-athletes. Financially, our scholarships cover the full cost of attendance, including tuition, books, fees, housing, and other expenses. Those who are eligible receive Pell Grants in addition to their full scholarships. The value of these scholarship benefits provided to student-athletes receiving a full aid package total nearly \$87,000 for out of state students and more than \$59,000 for a Wisconsin resident per year.

But that's just part of the support received by student-athletes. They also receive laptops, tutoring and access to dedicated academic advisors. They have access to mentoring and world-class coaching, mental health counseling, sports psychologists, state-of-the-art health care including care, which covers any issues for at least two years after they leave the university. They have access to unlimited meals and snacks, all provided free of charge -- they don't have to pay for food out of their scholarship money. They receive nutrition advice, and career counseling. We also pay for degree completion at any school in the country for those who leave for professional sports but want to complete their degree at a later point.

But all of these benefits are dwarfed by what they receive from their college education. I'm an economist by training and know the extensive literature on the returns to a college education. By any measure, college graduates outperform their peers who have only completed their high school degree. For example, the average college graduate is 24 percent more likely to be employed than a high-school graduate and average earnings among college graduates averages \$1 million higher over a lifetime. When looking at the benefits received by student-athletes, for the vast majority, the value of their college degree will be the biggest benefit they receive from their college experience.

Add the scholarship benefits to the other assistance available to student-athletes and then add in the return to their college education. This is a generous package of benefits – more than is received by any other students on our campus. Their college-athlete experience also builds a network of friends and experiences that shape them for a lifetime. Their education has the power to change the trajectory of entire families, particularly among first-generation college students or those who but for their athletic ability may not have the opportunity to attend college at all.

The business model for college athletics is greatly misunderstood by the public. The American collegiate model is focused on offering athletic opportunities to a broad base of student-athletes in a wide range of sports, regardless of their revenue potential. If college sports followed the business model used by private companies, we would compete in the sports that generate positive cash flow and eliminate all others. That's not the model any university

follows. For instance, at the University of Wisconsin, only football and men's basketball are revenue-generating sports. Our other 21 sports cost more money than they generate – and that is true almost everywhere, with very few exceptions.

But we're not running college sports primarily to make money. We are offering training and competitive experiences to a large number of students with diverse athletic skills. That fits into our educational model, where our goal is to help students develop their skills, their self-discipline, their self-knowledge and self-confidence over the college years. If we had to spend all of our revenue only within our two revenue-producing sports, there would be no Olympic sport opportunities and a relatively small number of student-athletes. Under these circumstances, I'm not sure we would choose to run an athletic program at UW-Madison. Our 800 athletes across 23 sports are all part of the fabric of our institution. I'm proud of all of them.

Collectively within the Big Ten, member institutions offer nearly 350 varsity sport programs that provide opportunities to over 9,500 student-athletes. In addition, Big Ten institutions will provide nearly \$240 million in athletics scholarships this year.

College athletics has continued to evolve and the system has changed as the needs and demands of student athletes has changed. For instance, there are a variety of recent NCAA Autonomy 5 rule changes to further support student-athletes including a more inclusive definition of full cost of attendance, more extensive medical expenses and meal provisions, to name a few.

We are now in the midst of a lively national discussion on how to best allow students to generate income from Name, Image, and Likeness, familiar known as NIL. Other students have this opportunity and I support finding ways for student-athletes to do so as well. I'd like to discuss the parameters of how this should look.

As the debate about Name, Image, and Likeness rights has progressed, it has become clear that some would like to use this to upend the entire collegiate model. As noted, I agree that we need to change our NIL rules, and as you know, the NCAA is in the midst of finalizing new rules that allow students to benefit from their NIL, with some guideposts around how this would work. This will also require assistance from Congress through legislation setting national standards. But this must be done thoughtfully. Federal legislation needs to improve the situation for student-athletes, not make it worse.

The NCAA, the Big Ten, and the A5 have endorsed a set of consensus principles on NIL that we hope Congress will consider.

- **We need Congress to pass federal legislation.** The members of the Big Ten and the A5 conferences agree that it is time to reform the rules around Name, Image, and Likeness and we urge Congress to adopt a national standard in short order. A national framework

is imperative—we cannot function under a hodgepodge of state laws that make it difficult to have a level playing field for recruiting or competition.

- **Congress must enact a law before July 2021.** Time is of the essence. The state of Florida passed a NIL law that takes effect on July 1. Four other states have also passed NIL laws and 31 other states are considering such laws. The need is obvious for a national framework that is universal, fair, and can be implemented without threat of legally upending the collegiate model.
- **Congress must include a preemption.** A number of state laws are already enacted, and more states are proposing action, so it is vital that federal legislation include a preemption over the state laws. In addition, the NCAA has faced many antitrust lawsuits, so we hope Congress will include a safe harbor to allow the implementation of NCAA rules on NIL. This is a request for a very narrowly-tailored antitrust exemption that allows NCAA to enforce common rules about NIL without facing constant external lawsuits.
- **Protect college recruiting.** Student-athletes should have new avenues to pursue payment from third parties for NIL – but those transactions should be totally outside the recruiting process. It would be a mistake to allow NIL to corrupt the recruiting process, allowing the promise of payments, directly by schools or indirectly by boosters or sponsors. This will contaminate the recruiting process.

The guardrails needed around the recruiting process are to protect our student-athletes. It doesn't take much imagination to envision a car dealership or other business offering to pay a 17-year old five-star recruit still in high school to enroll at the local university and not consider other options.

- **Prevent pay for play.** Our student-athletes are not professional athletes, and they should not be paid to participate in sports. It is essential to preserve the collegiate model that provides opportunity for so many.
- **Student-athletes are not university employees.** We must make clear that our student-athletes are students, and not university employees. Their first priority is to work in the classroom toward a college degree.

I have recently been appointed to the NCAA's Division-I Board of Directors. The association is currently in the process of considering new rules for student-athletes to benefit from their Name, Image, and Likeness. By the end of next month, each division should have legislation drafted to update NIL rules.

Speaking personally, I want to assure you that I value the role of the Congress in constructing a national framework on NIL. I do not believe you should wait on the process at the NCAA to be

complete, and I hope that once you agree on a national NIL standard, that you will provide us with the narrow legal protections needed to implement your decision.

New opportunities for NIL can exist within the confines of our student-athlete model and Congress can help make this work – preserving the educational opportunities for hundreds of thousands, while modernizing endorsement opportunities for all.

Thank you again for your attention to this important issue and your concern for our student-athletes.