

NCAA Approves New Rules for Big 5

Legal Alert
August 8, 2014

Garvey Schubert Barer Legal Update, August 8, 2014.

On Thursday, August 7, 2014, the [NCAA Board of Directors](#) voted to allow Notre Dame and the top five conferences in Division I - Atlantic Coast, Big Ten, Big 12, Pacific-12 and Southeastern Conferences (collectively known as the "Big 5"), to create their own rules in the following 11 areas affecting student athletes (the "[Autonomy Measures](#)"):

- Athletics Personnel;
- Insurance and Career Transition;
- Career Pursuits Unrelated to Athletics;
- Recruiting Restrictions;
- Pre-Enrollment Expenses and Support;
- Financial Aid;
- Awards, Benefits and Expenses;
- Academic Support;
- Health and Wellness;
- Meals and Nutrition; and
- Time Demands.

The Autonomy Measures are subject to a 60-day review period by other Division I schools. If 75 schools from outside the Big 5 vote to override the measures, the NCAA Board of Directors will reconsider the new regulations at its next meeting on October 30, 2014. However, board chairman and Wake Forest president [Nathan Hatch said](#) he has already spoken with nearly every conference and school leader and is "very confident that it will not be overridden."

Assuming the Autonomy Measures pass the review process, the Big 5 can submit their proposed regulations by October 1, 2014, and they will be enacted at the January 2015 NCAA convention in Washington, D.C. The first rulemaking [expected](#) to be taken up is the full cost-of-attendance stipend, which would allow a school to cover the \$2,000 - \$4,000 gap between athletic scholarships and the actual cost of attending the school.

Critics of the Autonomy Measures argue that they could create a larger competitive imbalance between schools in the Big 5 that can have annual athletic budgets topping \$160 million, and schools in smaller conferences that can have annual budgets of less than \$10 million. Conferences outside of the Big 5 can elect to adopt the rules passed as a result of the

Autonomy Measures, but many will not be able to afford to capitalize on them. Opponents also argue that this will cause the most talented student athletes to be clustered in the richer conferences, thereby stifling competition. In an email following the [16-2 vote](#), Dartmouth President, [Philip J. Hanlon](#), who voted against the Autonomy Measures said that the new structure threatens to “further escalate the arms race in college sports.” He added: “The proposed governance changes move in the direction of even greater spending and revenue growth in intercollegiate athletics and even greater disparity between the conferences.”

A motivating force in passing the Autonomy Measures despite significant criticism was the recent suggestion by commissioners of the Big 5 that failure to pass them would leave the NCAA without its own rule-making freedom. The commissioners also argue that the measures provide a way for athletic programs making hundreds of millions of dollars per year to pass on some of the largesse to the student-athletes while still maintaining amateurism.

Many have surmised that the NCAA’s approval of the Autonomy Measures is a reaction to recent litigation challenging the NCAA’s amateurism rules, including its failure to share profits with athletes. Examples include a case in the Northern District of California that could force the NCAA and the larger conferences to share proceeds from the use of student-athlete images in advertising and the March 2014 National Labor Relations Board [ruling](#) permitting Northwestern University football players to unionize. A decision on the California litigation is expected any day, and so the adoption of the Autonomy Measures may have come too late to avoid any detrimental impact on the NCAA from the court’s decision.