



Today's Scholar-Athletes ~ Tomorrow's Leaders

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For the U.S. House of Representatives Energy & Commerce Committee,
Subcommittee on Innovation, Data, and Commerce
Hearing Entitled "Taking The Buzzer Beater To The Bank: Protecting College Athletes' NIL Dealmaking Rights."

Wednesday, March 29, 2023

Chairman Bilirakis, Ranking Member Schakowsky, and members of the Subcommittee on Innovation, Data, & Commerce, thank you for the opportunity to testify at this hearing. The following four key points are central to my testimony:

- The Patriot League believes that participation in athletics is an important component of a well-rounded education.
- Patriot League student-athletes graduate with meaningful degrees, are afforded the time and opportunity, and are expected to engage fully in academic pursuits. Student-athletes are not employees of an institution. They are students being provided comprehensive support so that they can experience and achieve academic and athletic excellence.
- The League fully supports name, image and likeness (NIL) opportunities. Many NIL endeavors provide important educational, professional networking, career development, and service dimensions. The development of a national standard around NIL rights is necessary to ensure fair access and opportunity.
- Patriot League institutions are committed to an athletics financial model that acknowledges the importance of the athletics experience to our students, campuses and communities. There is an expense to conducting such broad-based athletics programming, and that expense is accepted and managed appropriately within institutional budgets in a manner that supports overall institutional priorities.

The following is broader testimony supporting these key points. This narrative is important to fully understanding the values and guiding principles of the Patriot League, and our commitment to the student-athlete experience.

The Patriot League

The Patriot League is one of 32 Division I conference members of the NCAA. Full League members include American University, Boston University, Bucknell University, Colgate University, The College of the Holy Cross, Lafayette College, Lehigh University, Loyola University Maryland, the United States Military Academy and the United States Naval Academy. Associate members include Fordham University, Georgetown University, University of Richmond, and Massachusetts Institute of Technology.

There are over 8,000 student-athletes participating on over 240 Division I teams across the Patriot League. The League sponsors championship competition in 24 sports (11 for men; 13 for women). As a League, student-athletes represent 20% of our entire undergraduate student population.

While the League represents a very diverse group of institutions – small liberal arts colleges, Jesuit institutions, a leading private research institution, and two of the preeminent military service academies in the country – we are unified in our belief that participation in athletics is an important component of a well-rounded education. In fact, at Army and Navy, physical development is explicitly stated within the institutional missions.

The integrated student-athlete experience, the academic and personal growth of student-athletes, is primary within the League. Being a student and being an athlete in the Patriot League are not mutually exclusive. Our student-athletes are fully engaged in campus life. They live in the dorms, eat in the dining halls, participate in study abroad programs, lead campus organizations, pursue internship opportunities, and compete as Division I athletes.

The League expects our student-athletes to demonstrate commitment to both academic excellence and athletic competitiveness, and our institutions are committed to the quality of those experiences. Patriot League student-athletes graduate with meaningful degrees and are afforded time and opportunity to engage fully in academic pursuits. A guiding principle of the Patriot League is that our student-athletes are academically representative of the student body. From the admissions process through the undergraduate academic experience and graduation, student-athletes reflect our student population.

By League rule, student-athletes must graduate within four years and the athletic experience is restricted to that four-year undergraduate timeframe. Any exceptions to that standard are administered outside of the athletics department by institutional, academic officials and such exceptions must be grounded in academic - not athletic - rationale. Our overall Graduation Success Rate is 96.7% (96.2% for black student-athletes; 96.3% for white student-athletes). Based on data available via the NCAA Academic Performance Program, the Patriot League has the highest retention rates across all Division I conferences.

In order to protect and promote the academic success of our student-athletes, our institutions have adopted a League regulatory structure that prohibits the scheduling of League regular season contests during final exams. Further, to reduce the impact of travel on student-athletes, we are intentional about minimizing, to the extent possible, the conduct of midweek competition.

Name, Image and Likeness

Just like all other students, Patriot League student-athletes are able to profit off their own name, image and likeness (NIL). The League fully supports NIL opportunities as many provide important educational, professional networking, career development, and service dimensions, all of which assist in preparing student-athletes to make meaningful contributions to society, a stated vision of the League.

Within the League's footprint, two of the five states/D.C. (Maryland and Pennsylvania) have enacted NIL laws. Reporting of NIL transactions through the League office is not required. The League purchased a software platform, INFLCR Verified, to assist schools in education, compliance and tracking of NIL transactions. [Note: As student-athletes at Army and Navy are Federal employees, they are regulated by Federal law and regulation, which generally prohibit Federal employees from profiting off their NIL in their official capacities.]

NIL managed and regulated in a legitimate manner represents an area of constructive change and opportunity for student-athletes. However, national challenges in the NIL space, including the determination of fair market pay, as well as the engagement by outside entities in recruiting activities on behalf of an institution (i.e., recruiting inducements) and/or offering pay-for-play opportunities are well documented in the press and are clear violations of existing NCAA regulations. As a result of a myriad of state laws, as well as legal actions against the NCAA and our regulatory structure, the current environment results in little to no accountability or transparency, creating instability and undermining positive change. Finding a means toward national regulation around NIL is necessary to address these negative impacts.

Financial Environment

Eight Patriot League institutions provide a total of approximately \$95 million in athletics grants-in-aid annually. [Note: Army and Navy are excluded from this data point as the service academies do not provide merit grants.] This represents 44% of all athletics expenditures, making athletics scholarships the single largest athletics expense category at those institutions. Coaches' compensation represents just 18%, while administrative compensation represents 12% of our athletics expenditures.

While there are significant media-rights revenues earned by a very limited number of Division I conferences, this is not typical. In 2022-23, media-rights dollars earned by the Patriot League will represent less than \$1.5 million. Sixty percent (60%) of that revenue will be spent by the League office on broadcast-production costs. The remaining 40% will be distributed to our ten members.

Across our media platforms, the League and its schools broadcast almost 1,000 athletic contests/events per year. There is no net revenue from League media rights. Acknowledging that informs our approach. Our media contracts are designed to prioritize access and coverage so our alumni, families and fans can watch our student-athletes represent their institutions in competition. Our goal is to broadcast every single contest. Doing so is an expense that does not result in net media revenue, but, nonetheless, it is a League priority and a worthy investment because it benefits the student-athlete experience.

Athletics at our institutions does not produce a net revenue (difference between revenues generated from within athletics department and the athletics department expenses). We operate Division I athletics in a fiscally prudent, but appropriate manner, as determined by our institutions and aligned with League and institutional values. Appropriate investment in athletics is an important component of the educational experience.

Student-Athlete as Employee

Foundational to the Patriot League model is the effective integration of Division I athletics into the educational mission. This model has appropriately evolved over time, but it has never abandoned the importance of balancing the athletic and academic experience.

There is a multitude of pending rulings that will occur outside of the NCAA governing structure that could impact the determination of whether or not student-athletes must be considered employees of an institution. The most significant unknown at this time is if the legal outcomes will offer an alternative (i.e., non-

employee) path for the continued sponsorship of intercollegiate athletics within higher education. The absence of rulings or determinations that would allow for the legality of the current non-employee model to continue would likely represent a breaking point for the sponsorship of athletics programs at Patriot League institutions.

The idea that a student, who is fully participating in the academic and co-curricular opportunities available on our campuses, would be considered an employee of that institution as a result of that engagement, is incongruent with the mission and values of the Patriot League.

The Patriot League commitment is to prepare students to make meaningful contributions to society and I believe we live up to that commitment. It is an educational relationship, not an employee relationship.

Closing

Today's challenges are unique, but the fact such challenges exist is not surprising. This is a national model and there are differing institutional characteristics and priorities to consider and resulting perspectives will vary. Solutions for the challenges must preserve the universally considered positives of intercollegiate athletics – its connectivity to the educational mission and provision of opportunity to hundreds of thousands of students.

Thank you for your time.