

Professional Sports Organizations Sponsorship of Intercollegiate Competition Events

Background

In January, the NCAA Division I Board of Directors tabled NCAA Division I Proposal No. 2010-109-B regarding advertising and sponsorship by professional sports organizations for NCAA championships. In April, the Board of Directors took no further action on the proposal, so it remains tabled. The original impetus for the proposal focused solely on marketing and promotional activities and did not fully contemplate other financial arrangements that are typically associated with various contracts used in the overall championships process. For example, elements such as control of concession revenue, operation of suites and assignment of tickets are often negotiated as part of the overall agreement with a stadium or venue and host institution or conference. Inherent to these contractual issues is a mutual agreement between the NCAA, host institution or conference and facility regarding any number of operational and financial considerations that flow in both directions. In some cases, the facility used is owned or controlled by a professional sports organization (e.g., National Football League team, minor league baseball team).

Over the past several months, the national office staff engaged in a deeper examination of the overall championships process which resulted in the identification of several agreed-on potential outcomes that take into consideration the student-athlete experience, the line of demarcation between professional and intercollegiate athletics and the practical implications associated with the administration of competition events, including regular season and postseason competition. The potential outcomes served as the basis to draft legislative proposals in all three divisions that address competition administered by institutions, conferences and the NCAA which may include regular-season contests, conference championships and NCAA championships.

Agreed-On Potential Outcomes

- 1. It should be permissible for a professional sports organization to serve as a financial sponsor of a competition event (e.g., postseason bowl game, regular-season contest, conference or national championship), but it cannot be an identified sponsor of the competition event.**

Example No. 1 The New York Yankees may financially sponsor the New Era Pinstripe Bowl or they may provide the use of the Yankee Stadium at a reduced rate or no cost as part of the overall financial contract and agreement for the bowl game, but they cannot be an identified sponsor of the bowl game (e.g., The New York Yankees Pinstripe Bowl).

Example No. 2 The Gary SouthShore RailCats may financially sponsor a regular-season baseball contest between Indiana University, Bloomington, and Purdue University by providing the use of U.S. Steel Yard at a reduced rate

and by agreeing to split ticket revenue as part of the financial contract, but they cannot be an identified sponsor of the contest (e.g., RailCats College Baseball Classic).

2. It should be permissible for a professional sports organization to serve as a financial sponsor of related promotional, marketing and ancillary events, including as an identified sponsor of an ancillary event.

Example No. 1 The Omaha Storm Chasers may be involved in promoting the NCAA Division I Baseball Championship through in-game announcements and by providing advertising space in game programs at no charge to the NCAA, host institution or local organizing committee.

Example No. 2 The Baltimore Ravens may be involved in promoting the NCAA Divisions I/II/III Men's Lacrosse Championship at Ravens games through distribution of information to season ticket holders and by providing advertising during all events (e.g., concerts, games) at no charge to the NCAA, host institution or local organizing committee.

Example No. 3 The Indiana Fever may have a booth at Tourney Town during the NCAA Division I Women's Final Four.

Example No. 4 The Minnesota Wild may financially sponsor and also be identified as a sponsor for the "Friday Night at the Frozen Four" event during the NCAA Division I Men's Frozen Four.

Example No. 5 The National Pro Fastpitch League may promote each division's NCAA championship on its website and during each of its team's games.

3. It should be clarified that "financial sponsor" of an event is specific to the event itself and not any particular institution, conference or the NCAA.

Example No. 1 The Boston Bruins may financially sponsor the Beanpot Hockey Tournament, but not serve as a sponsor (financial or identifiable) of Boston University, Boston College, Harvard University or Northeastern University.

Example No. 2 The Minnesota Twins may financially sponsor an ice hockey game between the University of St. Thomas (Minnesota) and Macalester

College, but it may not sponsor (financial or identifiable) either institution.

4. It should be impermissible for a professional sports organization to provide a direct financial donation to an institution, conference or the NCAA.

Example No.1 While the New York Yankees may partner with the Big East Conference and the Big 12 Conference to financially sponsor the New Era Pinstripe Bowl (or donate use of the stadium) and each conference may receive some financial benefit as a result of the various financial arrangements made regarding hosting and sponsoring the event (e.g., split concession profits), the New York Yankees could not provide a direct cash donation to either conference.

Example No. 2 The Indianapolis Pacers may not provide a direct financial donation to local Divisions I, II and III institutions.

5. It should remain impermissible for a professional sports organization to affiliate with student-athletes (e.g., logos, marks) in any manner.

Note: Current legislation already prohibits this.

Additional Information to Consider

Each respective divisional championships body is reviewing the same agreed-on outcomes for consideration for the 2011-12 legislative cycle. Each division has been operating under a waiver for NCAA championships that have occurred since the issue was originally raised and a legislative change is necessary for future NCAA championships.

While the original issue centered on NCAA championships, the agreed-on outcomes are presented to apply for any intercollegiate competition event so that institutions and conferences would not be held to a different standard than the NCAA. However, each division is not required to have the same legislation for institutions, conferences and the NCAA within its own division. For example, Division III could treat conference competition different than NCAA championship competition. Further, each division may vary in how they approach institutions and conferences. For example, Division I may have a different standard for conference competition than Division II. It is strongly advised, however, that each division agree on the same legislation for NCAA championships (competition and ancillary events) in order to ensure a consistent championships experience for student-athletes in all divisions. In particular, for

combined championships such as men's lacrosse (Divisions I, II and III), women's lacrosse (Divisions II and III), women's rowing (Divisions I, II and III) and a future combined championship in men's ice hockey (Divisions I and III), a result that has the divisions with different legislation for NCAA championships creates practical implications that would likely mean combined championships would no longer occur.

Options to Consider

1. Sponsor legislation for the 2011-12 legislative cycle to specify that a professional sports organization:
 - a. May serve as a financial sponsor of an intercollegiate competition event (e.g., regular season, conference championship, NCAA championship, other postseason competition), provided the organization is not publically identified as such; and
 - b. May serve as a financial sponsor of an activity or promotion that is ancillary to the competition event and may be publically identified as such.
2. Same as Option No. 1, but limit it only to NCAA championships.
3. Same as Option No. 1, but limited it only to NCAA championships and conference championships.
4. Do nothing and maintain the current legislation which restricts a professional sports organization from serving as a sponsor for an intercollegiate event and NCAA championships.