

U.S. Supreme Court Issues Unanimous Ruling Related to Student-Athlete Compensation



By Curry Sexton and Greg Whiston

On Monday, June 21, 2021, the United States Supreme Court issued a long-awaited opinion in the case, *National Collegiate Athletic Association v. Alston*, in which it unanimously affirmed a ruling that struck down NCAA rules that restrict student-athletes from receiving compensation in the form of certain education-related benefits.

The ruling caps years of litigation in a case that was filed in 2014, in which current and former Division I student-athletes challenged NCAA rules that limit compensation student-athletes may receive in exchange for their athletic services and specifically alleged that the NCAA rules were in violation of the Sherman Act, which prohibits restraints of trade or commerce.

The district court rejected the student-athletes' challenge to NCAA rules that limit athletic scholarships to the full cost of attendance and that restrict compensation and benefits unrelated to education, but the court enjoined the NCAA from limiting education-related compensation or benefits that conferences and schools may provide to student-athletes.

After an appeal to the Ninth Circuit, which resulted in affirmance of the district court's ruling, the NCAA petitioned the Supreme Court, challenging the lower courts' rulings that the NCAA improperly limited student-athletes' ability to receive certain education-related benefits.

For a number of reasons stated in its opinion, the Supreme Court unanimously affirmed the lower courts' rulings, concluding that certain NCAA rules violated antitrust laws – namely, the Sherman Act – and that the NCAA could not restrict the rights of student-athletes to receive certain education-related benefits, including, among others:

- Reimbursement or payment for computer costs;
- Study abroad programs;
- Internship opportunities;
- Scholarships to attend vocational schools or graduate school; and

- Other academic-related expenses.

The Court, however, made clear that the NCAA can adopt rules that limit the education-related benefits within the bounds of the Court's decision, while individual conferences and schools can impose tighter restrictions on education-related benefits.

Though the Court's ruling is admittedly narrow, it sets forth the framework for which future, related challenges will be analyzed.

Stay tuned for more updates in the constantly evolving collegiate sports world.

This article is general in nature and does not constitute legal advice. The authors of this article, Curry Sexton and Greg Whiston, are members of Seigfreid Bingham's Sports and Entertainment Group and routinely represent clients in collegiate athletics. If you or your organization have questions about the impact of the NCAA's most recent announcement, please contact either author at 816.421.4460.