II

117TH CONGRESS
1ST SESSION

# S. 1225

To amend the Higher Education Act of 1965 to require institutions of higher education to report revenue generated by each sports team, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

APRIL 20, 2021

Mr. MURPHY introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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# A BILL

To amend the Higher Education Act of 1965 to require institutions of higher education to report revenue generated by each sports team, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ‘‘Standardization of Collegiate Oversight of Revenues and Expenditures Act’’ or the ‘‘SCORE Act’’.

**SEC. 2. REPORTING BY INSTITUTIONS OF HIGHER EDUCATION ON ATHLETIC REVENUE AND EXPENSES.**

Section 485(g) of the Higher Education Act of 1965 (20 U.S.C. 1092(g)) is amended—

(1) in paragraph (1), by adding at the end the following:

"(K) In the case of an institution that is a member of division I of the National Collegiate Athletic Association, the amount of revenue generated by each of the following categories, disaggregated by each sports team, if applicable:

"(i) Ticket sales.

"(ii) Student fees.

"(iii) Distributions from any other intercollegiate athletic association, conference, or tournament.

"(iv) Appearance guarantees and options.

"(v) Contributions from alumni and others.

"(vi) Compensation and benefits provided by third-party support.

"(vii) Concessions, programs, novelties, and parking.

"(viii) Broadcast and media rights, reported separately for television, radio, Internet, and print.

"(ix) Royalties, advertising, and sponsorship.

"(x) Sports camps.

"(xi) Endowment and investment income, reported separately for each source of such income.

"(xii) Direct institutional support.

"(xiii) Indirect institutional support for facilities, services, and administrative support.

"(xiv) Direct government support, reported separately by State government, local government, Federal Government.

"(L) In the case of an institution that is a member of division I of the National Collegiate Athletic Association, the expenses attributable to each of the following categories, disaggregated by each sports team, as applicable:

"(i) Grants-in-aid.

"(ii) Guarantees and options.

"(iii) Total salaries and benefits, and salaries and benefits paid by the institution and by third parties, respectively, to head coaches, to assistant coaches, and for administrative salaries.

"(iv) Severance pay.

"(v) Team travel.

"(vi) Recruiting.

"(vii) Equipment, uniforms, and supplies.

"(viii) Fundraising.

"(ix) Marketing and promotion.

"(x) Game expenses.

"(xi) Medical, including—

"(I) medical personnel salaries; and

"(II) medical treatment of athletes.

"(xii) Membership dues.

"(xiii) Sports camps.

"(xiv) Spirit groups.

"(xv) Transfers to the institution.

"(xvi) Debt service payments.

"(xvii) Athletic facility maintenance and rental.

"(xviii) Indirect facilities and administrative support.

"(xix) Education and general expenses of the institution—

"(I) including instruction, research, public service, academic support, student services, instructional support, and scholarships and fellowships; and

"(II) which do not include expenses with respect to auxiliary enterprises, hospitals, or independent operations.";

(2) in paragraph (5)—

(A) by striking "the term" and inserting the following:

"(A) the term";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(B) the terms listed in each of the categories under subparagraphs (K) through (L) of paragraph (1) shall be defined by the Secretary by regulation, developed in consultation with the Secretary of the Treasury and the task force described in paragraph (6)(A), and such definitions shall be updated in accordance with paragraph (6)(B).''; and

(3) by adding at the end the following:

''(6) TASK FORCE; DEFINITION UPDATES.—

''(A) TASK FORCE.—The Secretary shall appoint a task force of nonprofit and higher education accounting experts, professionals, and organizations representing institutions of higher education that are members of division I of the National Collegiate Athletic Association.

''(B) UPDATING DEFINITIONS.—The Secretary, on a biannual basis and in consultation with the task force described in subparagraph (A), shall review each definition under paragraph (5)(B) and, if necessary, update such definition in accordance with generally accepted accounting principles or significant changes in the national system of intercollegiate athletics.

''(7) SPECIAL RULE.—An institution of higher education that submits the information described in subparagraphs (K) through (L) of paragraph (1) to an intercollegiate athletic association for an academic year, and such information is verified by an independent audit and certified by the chancellor of the institution, may, in lieu of submitting such information under paragraph (1), request such association to directly submit such information to the Secretary on behalf of the institution for such academic year.''.

**SEC. 3. PROGRAM REQUIREMENTS.**

Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

''(30)(A) In the case of an institution that is a member of division I of the National Collegiate Athletic Association, such institution will not be a member of such association or participate in any intercollegiate athletics competition organized by any person, unless such association or person reports, on an annual basis, to the Secretary the following, disaggregated by sport, athletic event, or contract, as applicable:

''(i) Total generated revenue and amount of revenue generated by each of the following categories:

''(I) Total ticket sales.

''(II) Distributions from other intercollegiate athletic organization or person.

''(III) Cash contributions.

“(IV) Dues and other assessments from member institutions of higher education.

“(V) Third-party support.

“(VI) Merchandise.

“(VII) Concessions, programs, and novelties.

“(VIII) Broadcast and media rights, reported separately for television, radio, Internet, and print.

“(IX) Endowment and investment income, reported separately for each source of such income.

“(X) Other corporate sponsorship.

“(XI) Royalties, advertising, and sponsorship.

“(XII) Net assets.

“(XIII) Direct government support, reported separately by State government, local government, or Federal Government.

“(XIV) Any other category determined appropriate by the Secretary.

“(ii) Amount of expenses attributable to each of the following categories:

"(I) Disbursements to institutions of higher educations, athletic conferences, or other persons.

"(II) Salaries and benefits.

"(III) Severance pay.

"(IV) Equipment, uniforms, and supplies.

"(V) Fundraising.

"(VI) Marketing and promotion.

"(VII) Game expenses.

"(VIII) Medical, including—

"(aa) medical personnel salaries; and

"(bb) medical treatment of athletes.

"(IX) Facility construction.

"(X) Facility maintenance and rental.

"(XI) Capital investment.

"(XII) Debt service payments.

"(XIII) Charitable donations.

"(XIV) Any other category determined appropriate by the Secretary.

"(iii) Executive compensation schedules.

"(B) The Secretary shall—

"(i) define by regulation, developed in consultation with the Secretary of the Treasury and the task force described in section 485(g)(6)(A), the terms listed in each of the categories under subparagraph (A); and

"(ii) on a biannual basis and in consultation with such task force, review each definition under clause (i) and, if necessary, update such definition in accordance with generally accepted accounting principles or significant changes in the national system of intercollegiate athletics.".

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