



## Testimony on Senate Bill 176 Senate Select Committee on Gaming May 19, 2021

Thank you, Chairman Schuring, and members of the Senate Select Committee on Gaming, for allowing me to testify on behalf of Ohio's independent, nonprofit colleges and universities and their students. My name is C. Todd Jones and I am president and general counsel of the Association of Independent Colleges and Universities of Ohio.

AICUO represents 51 nonprofit institutions of higher education in our state. Our members educate nearly 131,000 students, and award about one third of the baccalaureate degrees in Ohio each year.

Ohio's independent colleges also have a variety of college athletics. However, unlike our wonderful public counterparts, our schools vary dramatically in size. Ohio has only two Division I independent colleges: the University of Dayton and Xavier University. The rest of our 51 institutions are smaller in size.

Specifically, AICUO members represent a little over 17,200 student athletes. We have 11 Division II and 22 Division III institutions, and five members of the National Association of Intercollegiate Athletics (NAIA), the smallest division. This is to say, the vast majority of Ohio's independent colleges do not have the infrastructure or athletic funding that is anywhere near Ohio State; all of them are smaller than the smallest Division I Ohio public institution. The majority of our institutions do not even offer athletic scholarships.

SB 176 will require all of our institutions to engage in the same kinds of compliance activities and the same regulatory exemption process as public colleges with larger administrative staffs to handle the new bureaucratic burdens. Our athletic departments also reflect the size of the institutions. Many of our institutions have only one or two staff. Did you know that some of our athletic staff members mow campus lawns in the summer so that they can remain full time employees? How will these tiny operations implement the necessary game integrity, anti-gambling training that will be required because of this bill? If this bill goes into effect, it would be an enormous burden to our smaller independent institutions to pay for constant training to track and spot suspicious athlete behavior.

Senate Bill 176 defines "collegiate sports" as "a sport or athletic event offered or sponsored by, or played in connection with, a public or private institution that offers educational services beyond the secondary level." To be clear for this committee – this means all traditional sports, as well as eSports and club sports. Club sports are sponsored by and connected to institutions but played by non-athlete students. Examples include rugby and ultimate frisbee, which of their own organization and efforts compete in intercollegiate tournaments. I cannot believe that it is this committee's intention to open up gaming on your average college student in a club sport.

Collegiate sports in SB 176 also encompasses the ever-expanding realm of college esports. Esports are a rapidly growing industry. In 2016, only seven institutions offered esports nationwide. In 2021, there are several college esports leagues with 175 college members. The National Association of Collegiate Esports (NACE) and offer officially recognized varsity esports programs. These schools have coaches and offer partial or full-ride athletic scholarships. Additionally, 314 schools have active Tespa chapters – which are the equivalent of club sports for gamers. These clubs compete in Tespa leagues and give gamers the chance to win scholarships in prize money.

Esports are a very real industry, despite what I am sure is skepticism in a few of your minds. However, I think we can all agree that Esports are not like other collegiate sports. Esports is built for social interaction and online play. They are also built on games that have very real on-line wagering capabilities: just ask any teenager who plays for reward “points” or “awards.” The platforms are constructed with non-monetary wagering, which is only a flip of a switch away from real, third-party gambling. SB 176, though, makes no delineation between esports and traditional athletics.

While the SB 176 delegate the rule-making authority on eligibility to the Ohio Casino Control Commission, that could lead to even more confusion. There are no parameters on how the OCC will make those decisions – once, once a year per sport, per sport every five years? Will institutions find themselves in a rotating state of being in and out of sports books?

I know the goal of this committee – and the legislation – is to regulate betting that is already taking place. I understand – but let’s be clear, betting is NOT currently happening on many of these institutions and sports currently. Wilmington women’s tennis? Denison swimming? Case Western Basketball? There is not shadow illegal underground betting on these sports.

The argument I have heard from many supporters of the legalizing sports gaming is that these institutions will never be in a sportsbook anyway. That simply will not be the case. The University of Mount Union is a perennial DIII football national championship contender. Ashland University women’s basketball team recently won the DII national championship. We have fierce rivalries. When John Carroll met Mount Union two years ago in what looked like a preview of the national championship game, I have no doubt that a bookmaking operation would have opened betting.

All you must do is look at 2020 during the pandemic; when all sports stopped operating, did bookmakers stop taking bets – no. In October, the Indiana Gaming Commission approved betting on the Major League Eating Halloween Candy Eating Championship. Halloween Candy. In fact, according to the American Gaming Association, in one quarter in 2020 online casino and poker more than tripled, to nearly \$403 million. So, this body is absolutely creating and expanding a market where one does not currently exist.

I strongly urge this committee to rethink what college sports actually means in Ohio. It will have dramatic long-lasting ramifications on so many athletes, institutions, and non-athlete students beyond just allowing betting on Ohio State. If you still want to leave it to the Casino Commission, fine, but you can also set parameters for the OCC about which sports merit betting.

AICUO asks that this committee limiting sports gaming to NCAA Division I football and basketball. We believe this is the first time that any advocacy organization has appeared before you to offer an option other than no college sports and all college sports. From our perspective, this compromise would allow the state to obtain all of the revenues it is seeking without creating undue harm to small independent businesses in the state, which is what your Ohio independent colleges are. At the very least, we also ask that you redefine college sports to exclude Esports and club sports.

Thank you and I would be happy to answer any questions you may have.