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New NBA G League Program Begins to Challenge NCAA Men's Basketball Hold on Top Prospects

Since the inception of the NBA G League there has been concern that the creation of this “minor league” would diminish the enormously popular (and profitable) NCAA Division I men's basketball program by luring top high school basketball prospects away from college. Those fears are now heightened with the NBA's recent addition of a one-year “developmental” program for top players, which offers high school seniors a lucrative alternative to playing for a Division I program for a year until they become eligible for the NBA Draft. As described in more detail below, this new G League program will pay top prospects up to \$500,000; provide them with special professional coaching and training outside of the league's traditional team structure; and allow them to avoid the challenges of the NCAA's complicated eligibility requirements. Not surprisingly, this G League program has already caused a shift in the recruiting landscape as a number of top prospects have foregone college and committed to the program. These prospects have included Jalen Green, a potential number 1 pick in the 2021 NBA draft; Isaiah Todd, a 5-star forward who de-committed from the University of Michigan; and Daishen Nix, a 5-star point guard who de-committed from UCLA.

New Incentives for Top Prospects to Join the G League

The G League, formerly known as the National Basketball Development League, or the NBA D-League, is the NBA's official minor league. Having started in the 2001/02 season with eight teams, the league now has 28 teams, all of which are affiliated with an NBA team. Unlike minor league baseball or hockey, the G League was not thought of as a place to develop young players. Players selected in the NBA Draft went directly to their NBA teams, and the G League consisted largely of journeymen and unsigned players looking to showcase their talent. As a result, few players opted to play in the G League during their first year after high school while they waited to be eligible for the NBA Draft. Instead, top prospects traditionally chose to play in college and more recently headed overseas to play professionally. In this regard, LaMelo Ball and RJ Hampton, both top 2020 NBA Draft prospects, shunned the G League route to play in Australia, where players can make mid-six-figures in salary, a significant bump over the G League's traditional \$35,000 salary.

Recognizing this trend, the NBA and G League recently announced the creation of a new program for these prospects – The G League Professional Path. Under this new one-year program, elite prospects who are at least 18 years old but not yet eligible for the NBA Draft receive a salary of at least \$125,000 for participating in a five-month season. In addition, players will be eligible for bonuses for meeting certain benchmarks such as participating in community events and attending life-skills programs overseen by the G League. As an added incentive, the NBA is providing a scholarship program for those who wish to continue their education after retiring from basketball. Aside from the monetary benefits, the participants will receive professional coaching and train with veterans who will provide mentoring about life in the NBA. To facilitate player training and development, participants will not play a typical G League schedule of 50 games. Instead, this team of elite prospects and veterans will play only 10 to 12 games against G League teams, plus games against foreign teams and NBA academy teams.¹ Through these games, it is expected that the top prospects will receive ample scouting from NBA teams.

One of the biggest draws, however, may be that players joining the G League can avoid the complicated and arduous NCAA eligibility requirements facing a Division I player. Unlike in college, G League players are free to hire agents, pursue endorsement deals, and profit off their name, image, and likeness (“NIL”). For example, Green is expected to sign a seven-figure sneaker deal during his time in the G League. This program may be of particular interest for high school prospects this year as it is unclear how the COVID-19 pandemic may affect the college calendar in 2020/21.

¹ https://www.espn.com/nba/story/_/id/29043828/sources-top-high-school-player-jalen-green-enter-nba-g-league-pathway

The G League's Effect on College Basketball

Although still in its infancy, the G League's Professional Path program may drastically alter the landscape of NCAA Division I men's basketball, particularly among members of the "Power 5" conferences. First, coaches will now find themselves not only competing against each other for the most talented prospects each year but also competing with the financial lure of the G League. Unfortunately, this could exacerbate the risks of corruption and the provision of improper benefits to these recruits. Athletic Department compliance teams will need to be laser-focused on this increased risk and step up monitoring and enforcement efforts while recruiting top prospects. With the G League able to offer lucrative deals to top high school prospects both before and after they commit to a college program, compliance teams must ensure that those associated with the athletic program – including coaches, boosters, and sponsors – do not attempt to counter with financial offers to these players, including after they have committed. Second, schools will need to ensure that they are offering similar career counseling and other important skills programs for their student-athletes. Finally, coaches may also be faced with players who have committed to their school but then bolt for the G League's new program. Although it is unclear whether the G League will require prospects to accept an offer to join the program by a certain date, it is possible that elite freshmen could change their minds and join the G League even after they have arrived on campus. This dynamic could require college coaches to continue to placate top recruits who may suddenly have another viable option – even after they have officially enrolled in school.

The new G League program also may prove to be a further catalyst for reform initiatives already underway to loosen the NCAA's restrictions on athletes receiving benefits based on their NIL. In fact, the NCAA recently announced proposals to allow athletes to profit from their NIL, including the ability to sign deals with third parties for promotional activities and to be compensated for outside business deals. If these NIL reforms are enacted and college athletes are able to profit from their NIL, the value proposition of playing in college for one year would certainly increase.

The effects on college basketball of the G League's new program remain to be seen and will be dictated largely by the number of top prospects who pursue this path. Depending on the extent to which the G League pulls players from the collegiate ranks, the new program may dramatically alter the college basketball landscape by changing who is being recruited and potentially elevating the play of top teams filled with athletes who develop together over multiple years.