BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

NCAA'S $2.8B SETTLEMENT CHANGES THE NIL GAME

June 30, 2025

Earlier this month, a combined settlement of three separate federal antitrust lawsuits against the NCAA was granted court approval. The deal, known as the "House settlement", goes into effect July 1, 2025. Some of its provisions apply to Division I athletes, while other provisions apply only to Division I schools that choose to opt-in.

Under the terms of the settlement, via a 10-year revenue-sharing program, college athletic programs will be permitted to directly compensate student-athletes for their name, image and likeness ("NIL"), in an amount capped at $20.5 million per school in 2025-26, increasing yearly to an estimated $32.9 million per school in 2034-35. Notably, institutions outside the Power-4 Conferences have the option to decide, on an annual basis, whether to opt in to the revenue-sharing terms of the settlement agreement. Participating schools will be able to decide how much revenue, up to the cap, they will share with student-athletes.

$2.8 billion in "back pay" damages will also be paid out to Division I athletes who participated in collegiate athletics between 2016 and 2024. A case-specific website has been set up at https://www.collegeathletecompensation.com with additional information for class members.

The House settlement has been granted court approval and goes into effect July 1, 2025.
Although the deal already faces challenges, it means:

- The NCAA must allow colleges and universities to share revenue directly with student-athletes, in an amount capped at $20.5 million per school in 2025-26, increasing yearly to an estimated $32.9 million per school in 2034-35. Cost-of-attendance scholarships and other benefits currently permitted by NCAA rules are largely excluded from the revenue-sharing cap.
- Approximately $2.8 billion will be paid to athletes who participated in collegiate athletics between 2016-2024. Payouts on these back pay damages are likely to be paused due to appeals that have already been filed.

Under the settlement, the current scholarship limits have been replaced with roster limits. However, each participating school will retain the right to decide how many scholarships to provide and their allocation.

With regard to the revenue sharing aspect going forward, the House settlement sets up a framework for covered NIL deals, and a reporting system and clearinghouse to review them.
Student-athletes may continue to sign NIL deals with third parties, although the NCAA and conferences are permitted to enforce standards for those deals. NIL deals above $600 must be reported both to the athlete's school and to a third-party clearinghouse which has been set up as "NIL Go." According to the settlement agreement, these requirements are intended to ensure NIL payments relate directly to the commercial use of an athlete's right of publicity for valid endorsement, sponsorship, influencing or other promotional purposes, rather than "pay-for-play" or recruiting inducements by a school.

The settlement also creates a new enforcement authority, the College Sports Commission (https://www.collegesportscommission.org/), to enforce the rules of the settlement.
The deal may create conflicts with existing state NIL laws, although probably not with Florida's collegiate NIL law, which is currently codified at section 1006.74, Florida Statutes.

Questions remaining in the wake of the House settlement include the issue of student-athlete employment status and collective bargaining, the interaction with state NIL laws, whether the U.S. Congress will pass overarching federal legislation on these issues, and the applicability of federal Title IX law to both the revenue-sharing and back pay paradigms.

Berger Singerman's attorneys are actively advising clients on the evolving legal and regulatory landscape surrounding student-athlete compensation, NIL agreements, and compliance with the House settlement framework. Please reach out to Ruth Vafek, Geoffrey Lottenberg, or any other member of our Intellectual Property group for guidance on navigating the new revenue-sharing structure, NIL reporting requirements, and related risks under state and federal law.

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