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NAME, IMAGE, AND LIKENESS ("NIL") INSTITUTIONAL REPORT

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Regulating the Game: Tracking the Federal Government's Efforts to Reshape College Sports

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The NCAA's first full season since the implementation of the *House* settlement is almost over, and throughout the year, schools, student-athletes, and spectators raised concerns about the lack of uniform governance in college sports. Over the past 12 months, the NCAA and its member institutions have dealt with the implementation of a revenue-sharing cap, backpay obligations to current and former student-athletes, pushes for private equity investment in college sports, rapidly expanding multimedia rights deals, recruiting and transfer portal bidding wars, and a fragmented patchwork of conflicting state laws for name, image, and likeness (NIL) practices.

All the while, student-athletes have continued to push the boundaries of their newfound power to monetize NIL through legal challenges to the NCAA's eligibility rules. Schools have grown increasingly concerned with the significant financial burdens taken on by their athletic departments as they work to field competitive rosters in revenue-producing sports. Even the College Sports Commission (CSC), which was established as an independent agency to oversee and enforce the terms of the *House* settlement, continues to face opposition from several schools that refuse to sign participation agreements. Ultimately, the post-*House* changes to student-athlete compensation have sparked national debate over the ways in which college sports should be governed. In response, the federal government has announced its latest attempt to codify a uniform system.

On May 27, 2026, the United States Senate Committee on Commerce introduced a bipartisan bill that would establish a federal framework to govern college athletics. The legislation, the Protect College Sports Act (PCSA), seeks to codify the terms of the *House* settlement by regulating revenue sharing and NIL compensation for student-athletes. The PCSA also seeks to slow conference realignment, preempt conflicting state laws, place limits on transfer and eligibility rules, and exempt schools, conferences, and athletic associations that enforce the bill's rules from antitrust scrutiny.

Provisions of the PCSA

The bill's authors contend that the PCSA would "restore order in college athletics by creating enforceable national rules." Title I of the PCSA addresses protections for college athletes and fair competition and Title II addresses media rights and broadcasting. The substantive provisions of the PCSA include the following terms:

- **NIL Rights, Revenue Sharing, and Mandatory Disclosures:** Codifies the terms of the *House* settlement by protecting student-athletes' ability to earn NIL compensation without losing eligibility. NIL compensation over $600 per year must be disclosed, which effectively legitimizes the CSC's operation of NIL Go as the clearinghouse and database for college NIL deals. Pay-for-play agreements or other arrangements intended to evade the revenue-sharing cap are prohibited. Additionally, the evenue-sharing cap shall continue after the expiration or termination of the House settlement with annuaal adjustments for inflation.
- **Transfer Rights and Eligibility Rules:** Guarantees only one transfer without losing eligibility, with limited exceptions for coach departures, discontinued sports, graduate study, and sexual assault or harassment. The bill also establishes baseline eligibility rules (i.e., academic standards and limits on being a professional athlete) and a five-year eligibility framework beginning at age 19 or high school graduation, with exceptions for pregnancy, religious mission, military service, and other approved absences.
- **Sports Agent Regulations:** Establishes a searchable registry of certified sports agents and requires all agents for college athletes to be registered. Contracts between college athletes and agents must include all key terms and cap agent fees at 5%.
- **10-Year Scholarship Guarantee:** Requires Division I schools to guarantee scholarships for 10 years after a student-athlete's last season to provide ample time for an athlete to return to campus and finish their degree if their athletic career interrupts their academic timeline.
- **Medical Coverage:** Requires Division I schools to cover out-of-pocket medical costs for sports-related injuries during a college athlete's eligibility window and for five years after the athlete's final competition. The bill further requires that schools designate an independent health and safety officer to oversee the bill's requirements.
- **Comparable Standards for Facilities, Services, and Events for Men's and Women's Sports:** Requires comparable standards for medical care, lodging, meals, rest, transportation, and facilities at championship events across similarly situated men's and women's athletic programs.
- **Coaching and Recruiting:** Prevents football coaches from leaving mid-season to coach or otherwise effectively take over another Football Bowl Subdivision (FBS) program during the same competitive season—also known as the "Lane Kiffin Rule."
- **Antitrust Exemption:** Provides targeted antitrust protection for schools, conferences, and athletic associations that enforce the bill's rules on compensation, eligibility, transfers, agent oversight, and related matters. The exemption also allows schools and conferences to voluntarily pool and sell certain college sports media rights, mirroring the antitrust exemption for major professional sports leagues.
- **State Law Preemption:** Preempts conflicting state and local laws governing NIL, transfers, and eligibility while specifically preserving areas such as civil rights, tort, criminal, privacy, contract, trademark, copyright, consumer protection, and campus safety laws.
- **Media Rights Requirements:** Establishes requirements for entities selling media rights to schools or conferences, including open membership terms, student-athlete representation, and revenue distribution rules. The bill also requires any school that receives collective media rights revenue to offer and maintain grant-in-aid for women's and Olympic sports programs.

- **Mergers and Acquisitions:** Prohibits conferences generating over $1 billion in revenue from consolidating with or acquiring other conferences. In 2025-2026, only the Big Ten Conference and Southeastern Conference (SEC) generated over $1 billion in revenue. The provision is intended to stop the two biggest leagues in college football from joining forces to create a "super league."

What the PCSA Does Not Address

Notwithstanding its protections, the PCSA omits key terms for issues that are noteworthy to both student-athletes and the NCAA. The bill does not contain provisions concerning compensation or contract terms for coaches, which serve as points of contention with student-athletes and their advocates. The bill also specifically clarifies that its terms are neutral as to whether student-athletes may be classified as employees, even though the NCAA has consistently argued against employment status for athletes.

How Did We Get Here?

The PCSA follows a yearlong effort by politicians, legislators, and other government actors to find a federal solution to the regulatory gaps left by the *House* settlement. On July 10, 2025, the United States House of Representatives introduced the SCORE Act, which was intended to establish a federal framework for NIL rights, agent regulations, and, most notably, college athlete employment status. The SCORE Act was originally intended to be the landmark bill to codify the *House* settlement and was scheduled for a floor vote in December 2025. The bill was pulled from the voting schedule in December because of bipartisan opposition, then it failed altogether after receiving unanimous opposition from the Congressional Black Caucus in May 2026. Common criticisms of the bill were the prohibition on the classification of athletes as employees, the lack of athlete representation throughout the legislative process, and the lack of protection for women's sports. Representatives from both sides of the aisle raised concerns about whether the SCORE Act would codify financial inequities and unfairly limit the earning potential of student-athletes.

In addition to the PCSA and SCORE Act, several bills have been introduced during the past year offering different variations of college sports reform. In September 2025, Senators Cory Booker, Richard Blumenthal, and Maria Cantwell introduced the SAFE Act to codify uniform health and safety standards, sports agent regulations, and a national NIL system focused on preserving competitive balance and protecting nonrevenue sports teams. In December 2025, congressional leaders introduced the HUSTLE Act, a narrow Senate bill focused on financial protection for NIL earnings, as well as the College Athletics Reform Act, a House bill with expanded Title IX requirements for colleges and universities. Each of these bills eventually lost momentum in their respective committees as lawmakers pivoted toward more comprehensive bipartisan legislation. Nonetheless, many of the core provisions of the PCSA were inspired by legislative ideas from failed bills of the past, as evidenced by Senator Cantwell's involvement in the drafting of the SAFE Act, the HUSTLE Act, and, most recently, the PCSA.

The White House has also taken considerable interest in college sports during the past year. On July 24, 2025, President Donald Trump issued an executive order titled "Saving College Sports," in which he called for a solution to "an out-of-control, rudderless system in which competing university donors engage in bidding wars for the best players, who can change teams each season." On March 6, 2026, President Trump hosted several coaches, athletic directors, conference commissioners, and sports executives at the White House for a "Saving College Sports" roundtable. The roundtable discussion between sports leaders and politicians concerned the growing need for stability in college sports as legal challenges and financial pressures persist in the age of athlete compensation. Notably, no student-athletes were invited to participate in the roundtable.

Then, on April 3, 2026, President Trump issued his second executive order on the issue, titled "Urgent National Action to Save College Sports." This executive order called for a "comprehensive national solution" to address continued litigation over NCAA rules, the enactment of state legislation in conflict with NCAA rules, and escalating financial demands on schools in their attempts to field competitive rosters. In both executive orders, President Trump stated the White House's preferred policies for eligibility and transfer limits, prohibited NIL activities, and revenue-sharing guidelines.

Importantly, an executive order is not federal law. The NCAA, its member institutions, and other interested private parties (i.e., NIL collectives, brands, and boosters) are not required to comply with the terms of the president's orders, nor do the orders preempt conflicting state laws on the matter. The executive orders did, however, invite federal intervention in college sports by directing federal agencies to advance the policies of the White House and ensure compliance when evaluating federal grants issued to institutions of higher education. Both orders also urged Congress to pass legislation to address student-athlete eligibility and compensation to preserve the future of college sports.

How Has the PCSA Announcement Been Received?

In the immediate aftermath of the PCSA announcement, the commissioners of the Big Ten and SEC released a joint statement declaring that neither conference supports the PCSA as drafted. The statement clarifies that the conferences believe the bill leaves "critical issues unresolved," including the shift to ongoing rulemaking being the responsibility of Congress, restrictions on athlete compensation, and lack of clear alternatives to litigation through dispute resolution. NCAA President Charlie Baker, who has been a longtime advocate for college sports legislation, In the immediate aftermath of the PCSA announcement, the commissioners of the Big Ten and SEC released a joint statement declaring that neither conference supports the PCSA as drafted. The statement clarifies that the conferences believe the bill leaves "critical issues unresolved," including the shift to ongoing rulemaking being the responsibility of Congress, restrictions on athlete compensation, and lack of clear alternatives to litigation through dispute resolution. NCAA President Charlie Baker, who has been a longtime advocate for college sports legislation, issued a statement in support of the bill while also

seeking revisions to several provisions. Baker specifically pointed out that the bill does not preempt all state laws nor does it address the question of student-athlete employment status. The NCAA's support for federal legislation comes as no surprise, as the organization continues to fight antitrust lawsuits challenging its rules as anticompetitive and arbitrarily restrictive.

Former college football head coach Nick Saban appeared in a hearing on Capitol Hill on June 3, 2026, where he testified in support of the PCSA and criticized the current system as unregulated "pay-for-play." In his testimony, Saban stressed that excessive litigation has created instability, while pay-for-play incentives and unlimited transfers make it difficult to "build teams and develop young people."

Interested parties continue to debate the best solution for federal legislation covering college athletics. Senator Chris Murphy, a known student-athlete advocate, has highlighted that the bill limits compensation for athletes "while protecting the huge salaries for all of the adults," a reference to coaching salaries and compensation agreements. Senator Ted Cruz, a co-author of the PCSA, argues that the bill would prevent unwanted consolidation of conferences and preserve traditional rivalries for fans. On June 4, 2026, Senator Cruz met with the Big Ten and SEC commissioners to continue discussions on potential amendments to the bill. For now, it looks like the PCSA is far from its final form. But as we quickly approach college football season, legislators appear to be motivated to find a workable solution.

To stay up to date on matters related to NCAA rulemaking and potential federal intervention in college sports, follow the BakerHostetler Sports Industry LinkedIn page or contact Gregory Lee (glee@bakerlaw.com), Ron Gaither (rgaither@bakerlaw.com), Elizabeth McCurrach (emccurrach@bakerlaw.com), Janine Anthony Bowen (jbowen@bakerlaw.com), Lee Solomon (rlsolomon@bakerlaw.com), Sean Caulfield (scaulfield@bakerlaw.com), or Kyle Kennedy (kkennedy@bakerlaw.com).

Game-Changing Tax Strategies: Protecting and Maximizing Wealth for Athletes

Professional athletes financial, legal and advisory teams play a critical role in structuring deals that go far beyond the field. To help navigate the complex tax landscape that comes with major contracts, endorsements, and high-stakes careers, we sat down with Jason Conn, Director of Tax at TSG Tax Management.

Question: When a professional athlete first signs a major contract, what should sports lawyers prioritize from a tax perspective?

The ink is barely dry on a big contract when the real game begins — the tax game. Sports lawyers should prioritize building a strong tax foundation immediately. This means proactive entity structuring, modeling multi-state "jock tax" exposure, and carefully planning how bonuses, incentives, and deferred compensation will be taxed across jurisdictions.

At TSG Tax Management, we specialize in creating game-changing tax strategies tailored to the unique realities of professional sports. Our hands-on, proactive approach helps turn complex tax challenges into opportunities for meaningful savings, so athletes can stay focused on performing at the highest level.

Question: From your perspective, what role does a sports attorney play in an athlete's long-term tax and financial strategy?

Sports attorneys serve as the quarterback — calling the plays that shape not only the deal but the athlete's financial future. The legal structure you negotiate directly impacts tax efficiency for years to come. The most successful outcomes happen when attorneys bring specialized tax experts onto the field early. At TSG Tax, we collaborate closely with legal counsel to optimize compensation structures, minimize unnecessary liabilities, and align tax planning with the athlete's career trajectory and life goals.



James Conn