

# PRESS RELEASE The Drake Group Urges NCAA to Enact Additional Policies to Address Flaws in *House v. NCAA* Settlement

WESTPORT CT. July 1, 2025 -- Since June, the NCAA has been implementing policies and procedures to carry out the recently approved House v. NCAA settlement. Among other key provisions, the settlement permits—though practically requires—most Power 5 institutions and allows other Division I members to provide their college athletes with up to \$20.5 million in cash annually as benefits in addition to existing scholarships (minus up to \$5 million in mandatory credits against the cap for Alston academic awards and new scholarships), starting July 1, 2025. That cap is based on a formula using a specified percentage (22%) of the average athletics-generated revenues of the Power 5 schools. It will vary over the next 10 years and is projected to reach as high as \$33 million per school by year 10. The settlement does not specify how schools can distribute these funds among or within sports—only that the money goes to college athletes. Other key provisions relate to NIL payments by third parties, which must be reported to NIL Go (a new designated reporting entity) if they total more than \$600 annually from one entity. There is no limit on payments from external third parties not affiliated with the school. However, third-party agreements from entities connected to a specific institution must be approved by a new NCAA enforcement body, the College Sports Commission, which is responsible for ensuring these NIL contracts serve a "valid business purpose" and fall within a reasonable range of compensation.

Kassandra Ramsey, President of the Drake Group, issued the following statement calling for the NCAA to create additional implementation policies to remedy major settlement deficiencies:

"Without clear guidance offered by NCAA implementation policies, the settlement will likely create a Division I market-based industry with unlimited individual cash incentives primarily benefiting 11,000 Power 5 male athletes based on their performances in the revenue-producing sports of football and basketball and enable their Power 5 institutions to dominate the College Football Playoff and the NCAA Final Four. This market will be without guardrails that protect the educational integrity of institutions, advance



educational or gender equity outcomes for college athletes, or provide adequate health protection for players. Further, failure to adopt the implementation policies outlined in the

following Statement of NCAA Settlement Policy Implementation Needs, the NCAA will:

- invite a landslide of Title IX lawsuits against its members;
- undermine our unique-to-America college sports model that has produced Olympic and national teams that are the envy of the world;
- fail to protect college athletes from exploitation by agents, third parties acting on behalf of the institution, or institutions themselves; and
- incentivize institutions to impose new forms of athlete controls, even more onerous than the NCAA's historical "amateur status" mechanisms, to protect their significant new athlete compensation investments.

Finally, we believe that without the implementation of these policy protections, Congress will be loath to consider granting the NCAA the antitrust exemption and preemption of state laws protections it seeks to enable the effective governance of collegiate sports."

## **Statement of NCAA Settlement Policy Implementation Needs**

To better represent the interests of female athletes, which were totally neglected in the settlement discussion and eventual provisions, and better protect members from future Title IX litigation:

- Mandate that member institutions provide equitable NIL dollars and other revenue share benefits under the settlement to men and women, i.e., make it clear that the words of Title IX require "no person ... on the basis of sex....be denied the benefits of or be subjected to discrimination under any education program ... receiving federal financial assistance ... " applies to -- includes --the new payments and benefits under the settlement agreement. Regardless of their label, common sense dictates that cash provided to athletes falls within the definition of the word "benefits."
- Mandate Title IX compliance as a condition of membership and require the use of conference or third-party assessments every three years, with one year to remedy identified deficiencies.

## To ensure compliance with ongoing NCAA policies prohibiting pay for play:

Properly define NIL payments as compensation for using athletes' names, images, or likenesses for advertising, promotional, or endorsement activities, not for their appearances as players in athletic contests or on broadcast media. Consistent with Title IX, institutions may allocate NIL payments in a way that favors athletes involved in priority sports but such payments when aggregated by sex must be proportional to male/female athletic participation.

#### To ensure that athletes are treated as students rather than employees:

- Require that scholarships be awarded for five years or until graduation, whichever comes first, contingent only on continued academic eligibility and compliance with policies that mandate fair notice to the institution before entering the transfer portal.
- Prohibit restricting cash awards for academic achievement, including improvements in reading, writing, and math skills up to college levels, conditioned only on the amounts of such awards for specific achievements treating all athletes equally.
- Mandate the provision of an independent attorney ombudsperson to assist athletes in reviewing any financial assistance agreements they are asked to sign.
- Include provisions in the NCAA governance restructure for an independent Board of Governors, an independent Division I Board of Directors, and ensure that college athletes comprise 50% of the membership of all

committees that vote on or recommend to these independent boards any provision that affects benefits and treatment of athletes.

### To enhance the health and safety of athletes:

 Mandate the establishment and continuous funding of a medical trust fund to provide long-term athletic injury benefits by implementing a graduated tax on total annual media rights fees received by member institutions from all sources.

To protect the unique contribution of college athletics to Olympic and national team development and maintain the developmental contributions of college sport to students with a broad range of competitive sport interests:

 Maintain current Division I and subdivision minimum sports sponsorship requirements for access to post-season play.

--Contact Kassandra Ramsey - kramsey@realizingthepromise.org - for further information









The Drake Group is a 501(c)(4) nonprofit advocacy organization working to better educate the U.S. Congress and higher education policymakers about critical issues in college athletics. We are an academic think tank consisting of experts in sports management, sports economics, and sports law. We disseminate fact-based research and recommendations that enable policymakers to advance legislation to make college sports a better place by ensuring that there is academic and ethical integrity in the conduct of college athletics programs.

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