



Updated Question and Answer: Impact of the Proposed Settlement on Division I Institutions

Updated December 9, 2024, see Question Nos. 12 through 35

The NCAA, Atlantic Coast Conference, Big Ten Conference, Big 12 Conference, Pac-12 Conference and Southeastern Conference entered into a proposed settlement with the plaintiffs in the *House, Hubbard* and *Carter* cases which has been preliminarily approved. This document was developed to provide guidance to the Division I membership on the status of the proposed settlement and its potential impact on and enforcement of Division I bylaws.

While this document has been updated, it is not exhaustive. NCAA staff have a complete inventory of the questions submitted and are prepared to release additional versions of the Q&A when circumstances are appropriate.

Question No. 1: Will it be permissible for any school in Division I to provide the additional benefits contemplated in the proposed settlement?

Answer: Any Division I institution may provide benefits to student-athletes permitted by the proposed settlement. If an institution provides Pool payments or additional benefits (e.g., scholarships) to student-athletes beyond what was permissible in Division I before the settlement, the institution is subject to all obligations and limitations of the settlement.

Question No. 2: Is an institution that provides direct name, image and likeness (NIL) payments to a student-athlete subject to the terms of the settlement?

Answer: Yes.

Question No. 3: Under the proposed settlement, does every Division I institution have to provide additional benefits to student-athletes?

Answer: No. Each Division I institution may decide whether and how much of any new benefit to provide to student-athletes, up to the Pool limitations. Additionally, each Division I conference may set rules or guidelines for its members on the provision of additional benefits as long as those rules or guidelines are set independently and not by agreement with any other conference.

However, if a Division I institution provides additional payments or benefits to student-athletes beyond what is currently permitted, the institution is subject to all obligations and limitations of the settlement including, but not limited to roster limits, reporting and the Pool.

Question No. 4: Can an institution opt into the settlement on a team-by-team basis?

Answer: No. For institutions providing additional payments or benefits to student-athletes beyond what is currently permitted, the terms of the settlement apply to all programs at an institution and may not apply on a team-by-team basis.

Question No. 5: Will all student-athletes in Division I be required to disclose third-party NIL agreements in excess of \$600 or only student-athletes enrolled at institutions that provide or facilitate payments or benefits pursuant to the settlement?

Answer: All Division I student-athletes will be required to report to (a) the member institution in which they are enrolled and/or (b) the designated reporting entity any and all third-party NIL contracts or payments with a total value of \$600 or more.

Question No. 6: Will Division I institutions be required to provide full athletics scholarships in any particular sport after final approval of the settlement?

Answer: No. All Division I athletics scholarships will be equivalency awards and institutions may provide any portion of a scholarship.

Question No. 7: Will Division I adopt legislation that establishes a roster limit for each Division I sport for institutions awarding benefits afforded by the proposed settlement?

Answer: Yes. Division I will adopt legislation that establishes roster limits consistent with those reported to the Court as part of the settlement.

Question No. 8: Does the proposed settlement impact access to qualification for Division I championships and existing revenue distribution formulas?

Answer: No.

Question No. 9: What steps are remaining before the proposed settlement is finalized?

Answer:

EVENT	DEADLINE
Notice Campaign and Claims Period Begins ("Notice Date").	October 18, 2024.
Allocation Estimate Available.	December 17, 2024 (60 Days after Notice Date).
Motion for Attorneys' Fees, Reimbursement of Litigation Expenses, and Service Awards.	December 17, 2024 (60 Days after Notice Date).
Exclusion and Objection Deadline.	January 31, 2025 (105 Days after Notice Date).
Claims Period Closes.	January 31, 2025 (105 Days after Notice Date).
Motion for Final Approval and Response to Objections.	March 3, 2025 (135 Days after Notice Date).
Final Approval Hearing.	April 7, 2025, at 10:00 a.m. (to be held remotely and in person).

Question No. 10: Where should I go if I have questions about the proposed settlement and its impact on my campus?

Answer: This Q&A is intended to provide guidance on national issues. Issues that are campus-specific or conference-specific should be addressed at a local level. Questions about the application of the settlement to existing legislation may be submitted to settlementquestions@ncaa.org.

Question No. 11: Where should institutions or conferences direct student-athletes who have questions about participation in the settlement?

Answer: Student-athletes with questions about the settlement should visit www.collegeathletecompensation.com.

Question No. 12: What is the process for an institution to indicate whether it has opted-in or opted-out of the settlement?

Answer: Division I institutions that intend to provide settlement-related benefits must provide notice of intent no later than March 1 of each year, beginning March 1, 2025. The defendant conferences are responsible for developing the institutional payment management and reporting system. This system will include the platform that tracks institutional payments to student-athletes as contemplated by the settlement.

Question No. 13: May an institution that initially opts out of the settlement decide to opt in to the settlement during a subsequent academic year during the remainder of the ten-year term?

Answer: Yes. An institution may make a decision to opt in to the settlement (e.g., providing additional benefits to student-athletes) at any point during the ten-year term of the settlement.

The settlement also allows an institution who previously offered benefits contemplated by the settlement to return to awarding benefits at pre-settlement levels. However, institutions will be accountable to any agreements entered into with their students and the Division I core guarantees continue to apply. A school that opts out of the settlement must be fully compliant with the settlement terms if it decides to opt back in. The settlement terms tie roster limit compliance to the awarding of the additional benefits. Therefore, the settlement does not require an institution to comply with the roster limits contemplated by the settlement after it reverts back to providing benefits currently allowed.

Question No. 14: What are the obligations for institutions who opt in to the settlement?

Answer: An institution that opts in to the settlement must fulfill obligations that apply to defendant conferences and their members under the settlement, including, at minimum:

- Ensure that any additional benefits being provided comply with the Pool cap.
- Report to the designated entity:

- All licenses between the institution and its student-athletes for name, image and likeness; and
- Any other payments or benefits provided beyond what is currently permitted by NCAA rules.
- Report all benefits that count against the Pool within 60 days after the close of each academic year (i.e., June 30) (specifics being developed). For members of the defendant conferences, these reports will be provided to their respective conference.
- Adhere to the roster limits established by the defendant conferences.

In addition, all Division I schools, including but not limited to those that opt in to the settlement, must ensure compliance with disclosure obligations for student-athlete NIL agreements (e.g., disclosure of all agreements of \$600 or more). The precise details of these reporting mechanisms are still being developed.

Question No. 15: When must schools be in compliance with new roster limits?

Answer: Beginning in the 2025-26 academic year, for fall sports, schools must be at or below the roster limits prior to the first date of competition that counts for championships selection in the relevant sport. For winter and spring sports, schools must be at or below the roster limits not later than December 1 or the first contest that counts for championships selection in the relevant sport (whichever is earlier).

[Note: additional requirements related to roster limits (e.g., whether a particular student-athlete must be included on a team's roster) are being developed.]

Question No. 16: What are the implications if an institution does not opt in to the settlement?

Answer: All existing Division I legislation remains effective unless and until modified, other than scholarship limits for Division I, which will be eliminated as part of the settlement. Further, institutions that choose not to provide benefits contemplated by the settlement are not bound by the requirements of those schools that opt-in, except all Division I student-athletes must disclose all third-party NIL deals worth \$600 or more, with the specific details of the reporting mechanisms still being developed.

Question No. 17: If an institution that is not subject to the terms of the settlement increases the number of scholarships offered in a sport but remains under the number of scholarships currently permitted in that sport by Division I legislation, does the increase in the number of scholarships offered subject the institution to the terms of the settlement?

Answer: No.

Changes to Division I Legislation.

Question No. 18: What is the process for reviewing and modifying the Division I legislation to be consistent with the proposed settlement?

Answer: Consistent with duties and responsibilities associated with litigation, the Division I Board of Directors will act on necessary legislation to comply with the settlement.

Question No. 19: When will the process for reviewing, modifying and/or eliminating Division I legislation begin?

Answer: Modifications to the Division I legislation will be considered following final approval of the settlement. Identification of required modifications and proposal drafting have begun as a collaborative effort between defendant conferences and NCAA staff.

Question No. 20: Which Division I bylaws will be modified or removed as a result of the proposed settlement?

Answer: NCAA staff and defendant conferences are working collaboratively to identify rules that will need to be modified, may need to be modified and rules that simply should be reviewed during the normal course of Division I business. A comprehensive review of Division I legislation will be done to ensure future bylaw provisions align with the intent and substance of the proposed settlement. Changes will be made no later than the effective date of the settlement.

Based on the terms of the proposed settlement, modifications likely will be made in the areas including, but not limited to:

- Amateurism and athletics eligibility;
- Academic eligibility;
- Financial aid;
- Recruiting;
- Awards, benefits and expenses; and
- Name, image and likeness.

Question No. 21: What will be the effective date of modifications to the Division I legislation to effectuate the proposed settlement?

Answer: The presumed effective date of the modifications will be aligned with the effective date of the settlement. For any exceptions, specific communication will be provided to the membership.

Revenue Distribution, the Pool and Name, Image and Likness.

Question No. 22: What is the Pool?

Answer: The maximum dollar value of additional payments and/or benefits (e.g., new payments and/or benefits not currently permitted by NCAA rules or in amounts above those currently permissible under NCAA rules) a Division I institution may provide to its student-athletes during a single academic year.

Question No. 23: How will the initial Pool be calculated?

Answer: The Pool will be set by totaling up eight of the Membership Financial Reporting System Reports (MFRS) revenue categories for each institution from the five defendant conferences and Notre Dame, then dividing the total by the number of institutions from the five defendant conferences plus Notre Dame, then taking 22% of the resulting dollar figure. The defendant conferences' defendants estimated the 2025-26 cap to be approximately \$20.5 MM. The actual cap number will be determined in Q1 of 2025.

The MFRS revenue categories include ticket sales, input revenue from participation in away games, media rights revenues, NCAA distributions and grants; non-media conference distributions; direct revenues from participation in football bowl games, as well as conference distributions of football bowl revenues; and athletics department revenues from sponsorships, royalties, licensing agreements and advertisements.

Question No. 24: Will the Pool change for each academic year?

Answer: Yes. Typically, the Pool will be recalculated every three years using the same formula. In the second and third year of each three-year period, the Pool will increase by four percent from the previous year.

Question No. 25: How do benefits provided to student-athletes above and beyond what was previously permitted in Division I count toward the Pool?

Answer: Institutions opting into the settlement must comply with the Pool and not allow any payments that exceed the Pool limit. All additional payments and benefits provided to student-athletes by the Division I institution that are not currently permissible will be counted to the Pool, except:

- *Alston* academic achievement awards (set at a value of up to \$5,980) count up to \$2.5M per year; beyond \$2.5 M per year, such awards do not count toward the Pool.
- Athletic scholarships above the number currently permitted by NCAA Division I rules for a particular sport count up to \$2.5M per year; beyond \$2.5M per year, such scholarships do not count toward the Pool.
- No third-party payments to student-athletes count against the Pool, including third-party payments procured by a school for the student-athlete, acting as a marketing agent for a student-athlete.
- Payments or benefits currently permissible through SAF and education-related benefits (other than *Alston* awards) do not count toward the Pool.

Question No. 26: Do education-related benefits for student-athletes that are currently permissible (other than *Alston* payments) count toward the Pool?

Answer: No.

Question No. 27: Do payments permitted under the current rules to student-athletes from a student assistance fund count toward the Pool?

Answer: No.

Question No. 28: Do benefits from the NCAA to the student-athletes count toward the Pool?

Answer: No.

Question No. 29: Under the proposed settlement, can a Division I institution enter into an NIL deal with a current student-athlete?

Answer: Yes, an institution may enter into an NIL deal with a student-athlete, provided it does not extend beyond the student-athlete's NCAA competition eligibility. NIL and other benefits cumulatively across all student-athletes cannot exceed the stated cap.

Question No. 30: May an institution offer a prospect or current student-athlete benefits consistent with those contemplated by the settlement?

Answer: Yes. Schools may not make payments prior to July 1, 2025, and can make payments after that date only if the court has granted final approval of the settlement. An institution may make offers, contingent on final settlement approval, to prospects or current student-athletes that involve the provision of benefits contemplated by the settlement. These additional benefits may not be awarded unless and until the settlement is adopted by the court.

Question No. 31: How and when will a student-athletes' third-party NIL deals be subject to the fair-market-value assessment contemplated by the settlement?

Answer: All Division I student-athletes will be required to report third-party NIL deals worth \$600 or more, whether or not their institution opts in to the settlement. All agreements with associated entities and associated individuals with payments occurring after July 1, 2025, will be subject to the fair-market-value assessment contemplated by the settlement. Also, all new agreements with associated entities and associated individuals executed after settlement approval (which could occur any time after April 7, 2025) will be subject to a fair-market-value review.

In addition, if there is a challenge to determinations related to fair-market-value, third-party arbitrators approved by the plaintiffs, the defendant conferences and the NCAA will render a decision.

Question No. 32: Will the NCAA national office maintain a record of the current and upcoming Pool amounts?

Answer: Yes.

Question No. 33: Will the NCAA maintain a record of the currently permissible benefits from institutions to student-athletes so institutions subject to the terms of the settlement can accurately calculate the value of any additional payments and benefits offered to student-athletes?

Answer: The NCAA will maintain a record of the currently permissible benefits on LSDBi (e.g., 2024-25 Division I Manual) so that institutions who choose not to be bound by the terms of the settlement can understand what benefits would subject them to the terms of the settlement for the full length of the settlement and institutions who choose to be bound by the terms of the settlement can calculate the value of additional payments and benefits offered to student-athletes.

Question No. 34: When will the technology behind the cap-reporting and NIL fair-market-value platforms be developed?

Answer: The defendant conferences have reached agreement with vendors who will develop, test and provide appropriate training for the platforms. LBi has been selected as the vendor for the cap reporting platform and Deloitte has been selected for the NIL fair market value platform. The defendant conferences will be responsible for the build-out of the cap-reporting system and related enforcement of complying with the cap. The defendant conferences also are responsible for overseeing the administration of the fair-market-value system. Schools should not contact vendors directly with questions at this time. More information will be forthcoming about the development of both platforms.

Question No. 35: How will student-athletes be educated on the impact of the settlement?

Answer: Student-athletes can learn more about the settlement from the attorneys representing the student athlete classes and/or at the following website: www.collegeathletecompensation.com. A separate Q&A is being developed for student-athletes and will be distributed via a variety of methods, including through national and conference student-athlete advisory committees.