





A PROJECT OF THE JOHN S. AND JAMES L. KNIGHT FOUNDATION

OVERLOOKED & CHANGING REALITIES: WHAT YOU NEED TO KNOW ABOUT THE *HOUSE* SETTLEMENT

January 15, 2025 NCAA Convention Nashville, Tennessee





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Chief Executive Officer
Knight Commission on Intercollegiate Athletics

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Knight Commission Purpose



"The purpose of the **Knight Commission on Intercollegiate Athletics** is to develop, promote, and lead transformational change that <u>prioritizes</u> the **education**, health, safety and success of college athletes."

Legacy of Influencing Change

- Academic threshold for postseason eligibility
- Academic incentives
- Gender equity in national and conference athletics performance incentives





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This presentation and related materials are not intended to replace NCAA resources and are not legal advice.





Presentation Topics

- The basics of the settlement
- Title IX considerations
- Financial implications
- What the settlement doesn't alter
- Opting in: what it means, impacts and institutional considerations
- Conference impacts





GABE FELDMAN

Director of the Sports Law Program & Associate Provost for NCAA Compliance, Tulane University

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Key Background on Proposed House Settlement











These conferences are referenced as the **Defendant Conferences**.





Key Background on Proposed House Settlement

Back damages of approximately \$2.8 Billion

New model for athlete benefits from institutions

New requirements for athlete NIL compensation from third parties



Back Damages of approximately \$2.8 Billion

ALL DI athletes participating 2016 to 2024

 Estimated 95% of damages paid to football and men's and women's basketball players in Defendant Conferences





New Model for Athlete Benefits from Institutions

- Institutionally-provided new payments and benefits to athletes
 - Direct payment for the use of athletes' NIL or additional payments and benefits, commonly labeled as "athlete revenue sharing" by media
 - Cap on institutions for new payments to athletes
 - New audit and enforcement procedures
 - Not subject to Fair-Market-Value assessment



New Model for Athlete Benefits from Institutions

- Opportunity for more scholarships
 - Elimination of NCAA scholarship limits
 - Roster limits replace scholarship limits examples:
 - FBS and FCS Football = 105 athletes
 - Women's soccer = 28 athletes
- Opt-in choice for non-defendant institutions



New Requirements for Athlete NIL Compensation from Third Parties

- All Division I athletes must report NIL compensation greater than \$600, in the aggregate
- New process for Fair-Market-Value assessments
- Institutions may facilitate NIL deals with third parties, including collectives
- No cap on third-party NIL compensation



New Athlete Requirements

- Q&A document approved by Judge Wilken to help athletes navigate changes on the horizon:
 - Significant new payments and benefits directly from institutions
 - New regulations for 3rd party NIL compensation
 - Potential impact of new roster limits on athletes



Unresolved Issues

- Conflicts between NCAA rules and state laws on NIL restrictions
- Classification of athletes as employees
- Objections and pending litigation challenging settlement terms
- Potential new tax implications for athletes
- Title IX compliance



Proposed Settlement Future Key Dates

January 31, 2025

Deadline:

- 1) objections to settlement
- 2) athlete opt-out

April 7, 2025

Final approval hearing

July 1, 2025

Terms go into effect through 2034-35 (if approved)





JANET JUDGE

Attorney, Partner, Education & Sports Law Group LLC

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PEYTON BARISH

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College Athletics Database

knightnewhousedata.org



Autonomy Conferences when House v. NCAA Lawsuit was filed









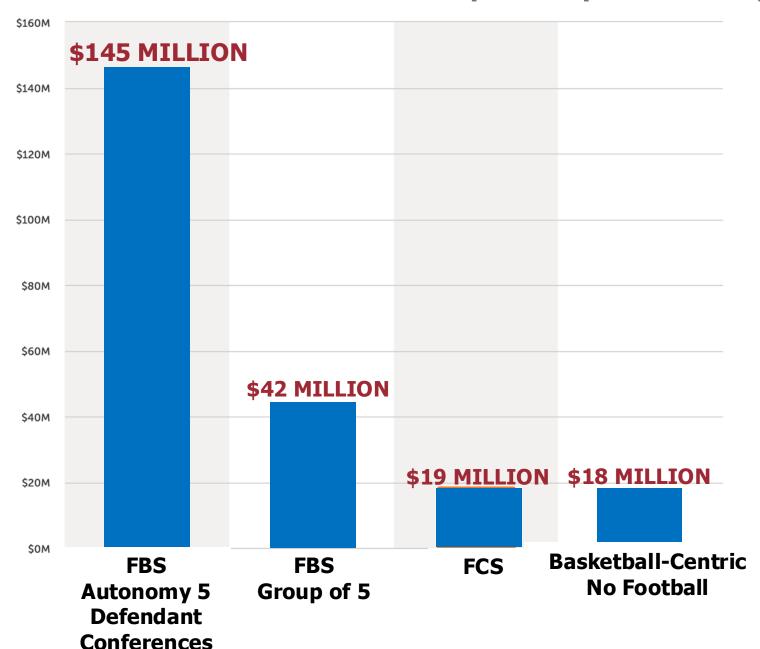


These conferences are referenced as the **Defendant Conferences**.



2023 Total Revenues for NCAA Division I Groupings

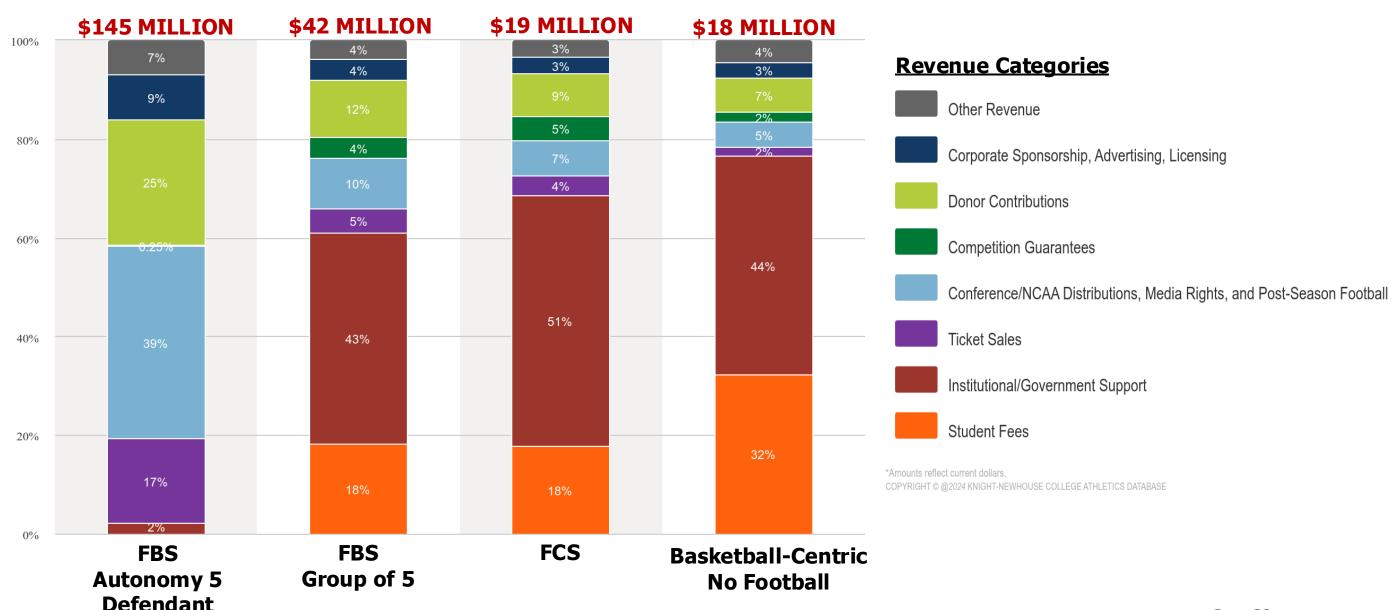
Public Division I Median Institution per Competitive Grouping





2023 Revenue Sources Shown as a Percentage of Total

Public Division I Median Institutions per Competitive Grouping

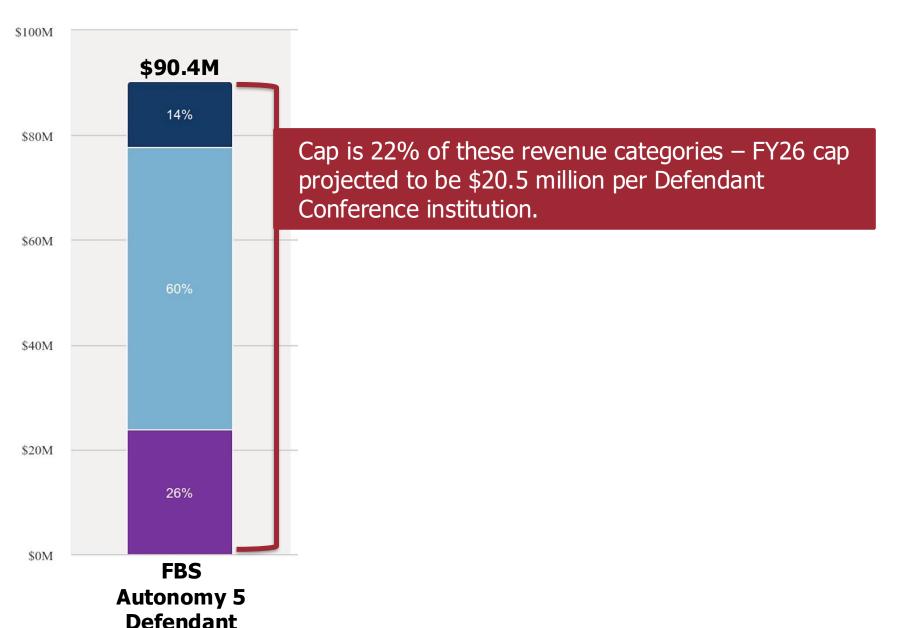


Conferences



Institutional Cap for New Athlete Payments & Benefits

(Example graph: 2023 revenues for median public DI school in each DI grouping)



Conferences

Revenue Categories*

Corporate Sponsorship, Advertising, Licensing

Conference/NCAA Distributions, Media Rights, and CFP/Post-Season Football

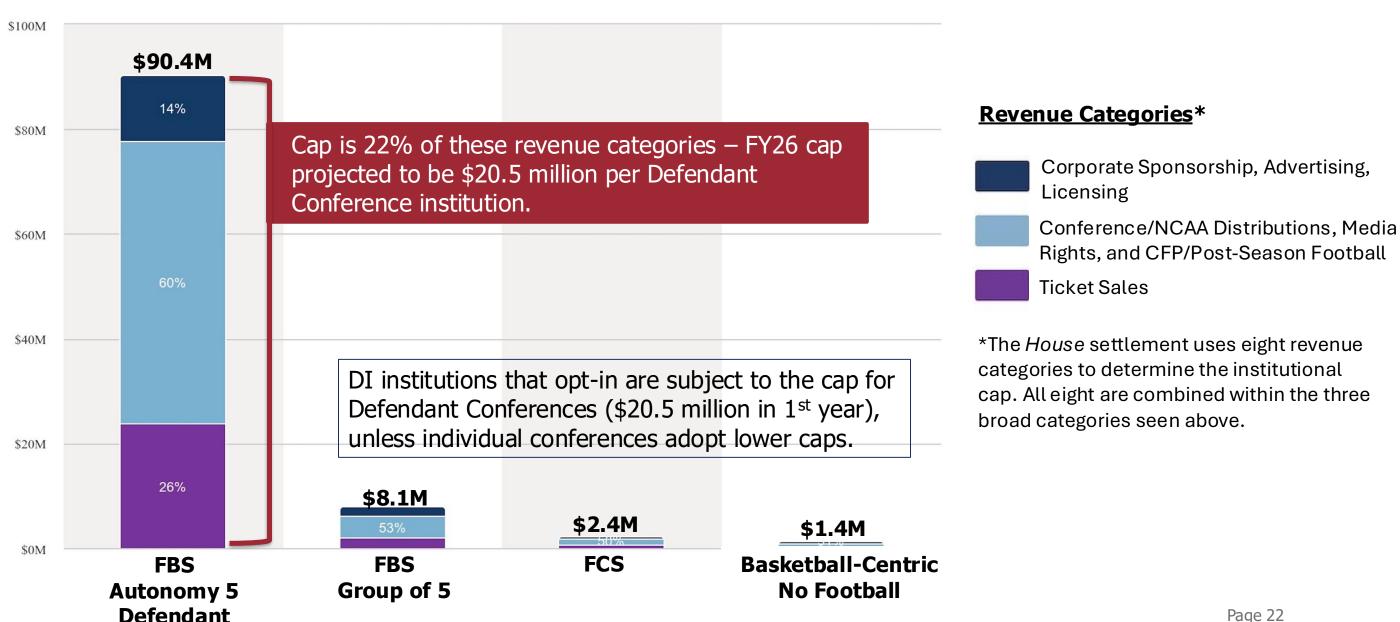
Ticket Sales

*The House settlement uses eight revenue categories to determine the institutional cap. All eight are combined within the three broad categories seen above.



Institutional Cap for New Athlete Payments & Benefits

(Example graph: 2023 revenues for median public DI school in each DI grouping)



Conferences





SANDY HATFIELD CLUBB

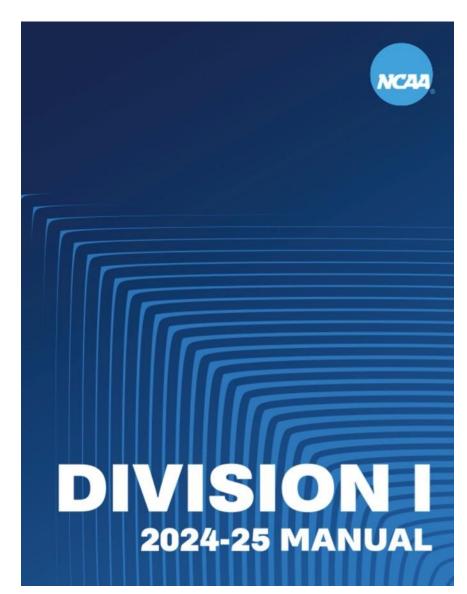
Managing Director for Strategic Initiatives
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Impact on DI Membership and Championships

- NCAA membership and bylaws governing championship access are <u>not</u> impacted by the settlement
- Access to NCAA Revenue distribution is <u>not</u> impacted
- "Division dominant" bylaws require twothirds vote of DI membership





How Institutions Opt In

- Formal opt-in declaration
- Providing any new payments to athletes
- In any one sport, providing athletics scholarships that *exceed* current (2024-25 academic year) NCAA scholarship limits.



Guidelines for Institutions with Opt-In Choice

- March 1 annual opt-in declaration date
- Institutions may opt in and later opt out
- Institutions that do not opt in:
 - Must abide by "pre-House" DI rules governing athlete financial benefits
 - Must abide by current NCAA DI scholarship limits
 - Are not subject to roster limits as defined in the settlement
- Institutions may expand currently permissible educationally-related benefits to enhance athletes' financial packages



Opt-In Considerations and Potential Impacts

- Financial impact to institution
- Financial impact to athletics revenue
- Potential loss of opportunities
 - Redistribution of funds may diminish opportunities
 - Due to compliance with roster limits in all sports
- Impact on enrollment management strategies
- Title IX compliance
- Evaluating implications within institutional mission and values





AMY HUCHTHAUSEN

Chief Operating Officer, Stavvy
America East Conference Commissioner, 2011-2021

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Opt-In Considerations and Potential Impacts

- Choice to opt-in is an institutional decision
- Conferences are permitted to independently set policies for membership
- Non-Defendant conferences may have some and not all members opting in
- May lead to another round of conference realignments





TODD TURNER

Collegiate Sports Associates, Founder & President

Knight Commission on Intercollegiate Athletics Consultant

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Session Materials:

- Knight Commission Brief on House v. NCAA Settlement
- Session Recording
- Slide deck

Q&A

- Please say your name and organization
- Step to the microphone in the room
- Enter your question in the Q&A box on Zoom





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Thank you.

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