PROTECT COLLEGE SPORTS ACT

The Protect College Sports Act establishes national rules for NIL, revenue sharing, athlete eligibility, and transfers while providing schools and conferences with the legal certainty needed to enforce those rules. Since the bill passed Committee on a strong 19-9 bipartisan vote, Sens. Cruz, Cantwell, and Schmitt have continued to work with stakeholders on refinements. The final floor text reflects that work while preserving the bill's core framework.

The updated text gives schools additional flexibility to retain current athletes, narrows the definition of "associated entity" to protect legitimate commercial NIL deals, and establishes clear safeguards for deals involving multimedia rights holders, sponsors, apparel companies, and vendors. It also addresses concerns involving recruiting windows, athlete eligibility, the House-settlement enforcement process, women's and Olympic sports requirements, conference consolidation, and participation in the entity pooling media rights.

In short, the floor version responds to the principal concerns raised since Committee markup and provides clearer, more workable rules for schools, conferences, and student athletes.

KEY CHANGES FOLLOWING COMMITTEE MARKUP

<u>Protecting Legitimate Commercial NIL Deals</u>
Sections 100 and 114

The committee-reported bill would have categorized any deal brokered by a marketing agent with ties to the school (ex. Learfield or Playfly) as counting against the revenue share cap.

In response to concerns that the definition of "associated entity" could also capture sponsors or school partners that engage in a legitimate arm's length deal with a student athlete, the final text adopts the "associated entity" definition currently used in the House Settlement to preserve legitimate NIL. It also ensures that a publicly traded company is not treated as an associated entity merely because of its corporate relationship with a booster, collective, major donor, or other person already covered by the definition.

The revised definition continues to cover collectives, major donors, and entities involved in recruiting or retaining athletes. The change protects legitimate commercial NIL agreements without allowing schools to use outside organizations to evade the cap.

<u>NIL Disclosure and Institutional Reporting</u>
Sections 101 and 104

The final text strengthens the disclosure system used to enforce the compensation rules.

Student athletes must report covered NIL agreements to their school and the applicable intercollegiate athletic association or its designated enforcement entity (i.e. the College Sports

Commission). Schools must report all compensation they provide or promise to student athletes. Schools must disclose the number, average value, and total value of those agreements and payments for each sports program.

The final text continues to protect individual athlete confidentiality while allowing the information necessary to administer and enforce the law to be shared with the appropriate enforcement entity.

<u>Athlete-Agent and NIL Contracts</u>
Section 102

The committee-passed bill required NIL endorsement agreements to only be valid if in writing. The final text adds the same written requirement to agreements between a student athlete and an athlete agent. An oral agreement will no longer qualify as a valid agency contract under the bill.

<u>Scholarship Guarantee Clarification</u>
Section 105

The bill allows certain former student athletes to return to their school to finish a degree and receive grant-in-aid.

The committee-passed bill tied the amount of aid for returning athletes to the level of aid they previously received while enrolled and competing. That approach did not account for athletes whose original aid package was based entirely on financial need, which may have changed significantly since they first attended school.

The final text responds to that gap by clarifying that, in cases where the athlete's original aid was awarded solely on the basis of financial need, the school is not required to replicate the prior award amount. Instead, the school may reassess and determine the athlete's grant-in-aid based on their current financial need at the time they return.

<u>Women's and Olympic Sports</u>
Sections 109 and 125

The bill requires high-revenue Division I schools to maintain their overall number of roster spots and scholarship opportunities across non-revenue sports, including women's and Olympic programs.

In response to questions about whether this requirement would permanently lock schools into their current mix of teams, the final text clarifies that schools may change which sports they sponsor and may reallocate roster spots and scholarships among teams. However, schools must still maintain the required overall number of opportunities across non-revenue sports and comply with applicable NCAA membership requirements.

The final text also adds publicity and promotion to the areas in which athletic associations and conferences must provide comparable treatment at similarly situated men's and women's championship events.

Recruiting and Transfer Windows
Sections 112 and 117

The bill allows an intercollegiate athletic association to limit when schools, their associated entities, and athlete agents may contact athletes about transferring. These rules are intended to reduce year-round recruiting and tampering while preserving a defined period in which athletes may consider other opportunities.

In response to feedback that different sports may need different schedules, the final text provides more flexibility and allows an association to establish one or more contact periods for each sport. The bill provides that the applicable window for a sport may not be shorter than two weeks or longer than five weeks. It also removes the requirement that the window begin exactly seven days after the sport's final competition.

The final text allows an athletic association to establish similar recruiting periods for contacts involving prospective student athletes who have not yet enrolled in college, including high school athletes who are often minors, in order to protect them from year-round recruiting pressure, undue influence, and exploitative contact practices by creating defined, limited windows for communication.

This also clarifies that the bill's one-time and second-transfer protections apply to transfers from one four-year institution to another four-year institution.

Athlete Eligibility
Sections 113 and 119

Section 113 establishes the basic federal eligibility rules that schools and athletic associations may enforce with protection from antitrust lawsuits. The final text clarifies that these rules apply to NCAA Division I and Division II institutions only. The bill's private right of action for violations of those eligibility rules is limited to the same institutions.

The final text also clarifies that athletic associations may address serious injuries and medical conditions. An association may adopt rule or bylaw allowing time missed because of a serious athletic injury or medical condition not to count against an athlete's five-year eligibility period.

The final text also protects youth basketball participation. Competing in basketball before the earlier of an athlete's nineteenth birthday or full-time college enrollment will not, by itself, cause the athlete to be treated as a professional and lose college eligibility.

Multimedia Rights Holder, Sponsor, Apparel Company, and Vendor of Athletic Department Agreements
Section 114

The final text clarifies how multimedia rights holders (MMRs), sponsors, apparel companies, and athletic department vendors may facilitate NIL agreements between student athletes and commercial sponsors.

The MMR, sponsor, apparel company, or vendor must certify that the school is not the source of the athlete's compensation. The commercial sponsor must certify that it is funding the agreement and that the school did not provide or forgo money to finance it. The school may also be required to certify that it did not negotiate the athlete's compensation or otherwise use the agreement to circumvent the cap.

These safeguards allow legitimate sponsor agreements to continue while closing loopholes for cheating and cap evasion.

Retention of Current Student Athletes
Sections 114 through 116

In response to requests for greater flexibility to retain current student athletes, the final text includes a retention fund that allows a school to spend up to $22.5 million above the revenue-sharing cap each academic year to keep their own players. This additional authority cannot be used to compensate prospective athletes before they enroll.

A school may spend up to an additional $5 million above the revenue sharing cap for retention (total $27.5 million) equal to the amount of compensation that it gives to student athletes in women's, Olympic, and other non-revenue sports. This gives schools additional flexibility while encouraging continued investment in sports beyond football and men's basketball.

The retention exception lasts for nine years to correspond with the length of the House Settlement. The Commission on the Future of College Athletics will study whether the retention amount should be adjusted. A new Student Athlete Retention Council, composed equally of Division I institutional representatives and student athletes, will make recommendations to the Commission.

Congressional Review of the Revenue-Sharing Cap and Retention Fund
Section 115

The House Settlement allows participating Division I schools to compensate student athletes directly, subject to an annual revenue-sharing cap. PCSA recognizes that cap and creates a separate retention exception that allows schools to spend additional money to retain student athletes who have completed at least one season at the school.

The committee-passed bill would have continued the revenue-sharing cap after the House Settlement ended. In response to feedback, the final text sunsets the revenue share cap and retention fund after nine years. The changes made to section 115 would give Congress a defined time period to adopt a joint resolution of approval to extend the revenue share cap and/or the retention fund beyond the nine-year sunset.

The Settlement defendants must notify Congress at least 180 days before a scheduled expiration or within one day of an early termination. Congress then has 30 calendar days to act. If the cap is continued, it increases by 4 percent in each of the first two years and is recalculated in the year three, and every three years thereafter, using the settlement formula based on 22 percent of average shared revenue. This is the same calculation currently in place for the revenue share cap in the House Settlement.

House-Settlement Enforcement Process
Section 118

The College Sports Commission administers and enforces the House Settlement, including the revenue-sharing cap and the rules governing third-party NIL agreements.

In response to feedback about how the Commission develops new enforcement policies, the final text requires it to provide the NCAA and the five defendant conferences with reasonable advance notice and an opportunity to comment before issuing a measure, rule, guidance, or policy interpreting or implementing the Settlement.

Notice Before Filing a Lawsuit
Section 119

Before filing a private lawsuit under the bill, a person must notify the prospective defendant of the alleged violation and provide an opportunity to correct it.

The final text shortens that notice-and-cure period from 60 days to 30 days.

Protection Against Title IX Retaliation
Section 120

The bill protects athletes, employees, contractors, and other covered individuals from retaliation for reporting possible violations of the Protect College Sports Act or participating in a related proceeding.

The final text extends that protection to reports and proceedings involving alleged Title IX violations. Schools, conferences, and athletic associations may not punish or otherwise retaliate against a covered person for making or assisting with such a report.

Title IX Application
Section 127

The final text contains a savings clause that states that nothing in Title I shall be construed to override, modify, or amend the applicability of Title IX. This ensures the bill does not alter or change the application of Title IX to preserve the maximum protections for student athletes.

Opportunities for American Student Athletes
Section 128

The final text states it is federal policy that colleges should prioritize American students when selecting student athletes and awarding roster spots and athletic scholarships.

Participation in the Entity Pooling Media Rights
Section 203

Title II allows schools and conferences to form an optional entity that pools their media rights and negotiates their sale collectively. Participation in that entity is voluntary and remains fully optional for all schools and conferences.

In response to requests for stronger protection of that voluntary choice, the final text prohibits federal or state lawsuits challenging a school's or conference's decision not to join or participate in the entity, reinforcing that participation is voluntary.

The final text also clarifies that the bill's rivalry protections apply only within the optional entity. A school or conference that does not voluntarily participate cannot be required under those provisions to schedule a rivalry game against another qualifying institution, and its decision to remain outside the entity is fully optional and protected.

Conference Consolidation
Section 205

Section 205 is intended to prevent the largest conferences from combining with one another or using the assets and media rights of their schools to create a new breakaway system or "Super League."

The final text focuses these restrictions on conferences reporting more than $700 million in annual revenue (i.e. the Power 4 conferences). It generally prevents one of those conferences from merging with another covered conference or acquiring the assets or media rights of a school that competed in one of those conferences as a football member within the last five years.

The final text continues to permit certain transactions involving schools outside that group (i.e. non-A4 schools), provided the transaction does not cause the acquiring conference to exceed 19 member institutions.

It also addresses a concern that private equity could create a new super conference by prohibiting any entity from combining the assets or media rights of covered schools for the purpose of creating a new conference or intercollegiate athletic association.

<u>HBCU Broadband, Media, and Sports Infrastructure</u>
Title III

Title III establishes the HBCU Sports Media and Connectivity Program, a competitive grant program within the Department of Commerce to help HBCUs make long-term improvements to campus broadband, information technology, journalism, media-production, and sports-broadcast infrastructure.

Grant funds may be used to upgrade campus networks; build or improve studios, production facilities, and streaming capacity; purchase broadcast equipment; strengthen cybersecurity; and provide students with training in journalism, broadcasting, and sports media. The program specifically supports the production and distribution of live HBCU athletic events, including women's and Olympic sports.

Awards will prioritize schools with the greatest infrastructure needs and the least ability to finance improvements on their own. The title also establishes public application criteria, reporting and performance requirements, and coordination among federal agencies to prevent duplicative funding. It authorizes $180 million annually for each of fiscal years 2027 through 2032.