



Saddlebrook

COLLEGE ADVISING

CONSEQUENCES OF THE HOUSE v. NCAA SETTLEMENT

BACKGROUND

In 2009, former UCLA basketball player Ed O'Bannon filed a lawsuit against the NCAA arguing that student-athletes should not have their name, image, or likeness (NIL) used without their permission or compensation, specifically in relation to the EA College Basketball video game. The NCAA argued that compensating players for their NIL would violate one of the organization's purposes of defending and regulating collegiate amateur athletics. The case was decided in favor of O'Bannon in 2014, with the judge further finding that NCAA member universities should fund full cost of attendance for full scholarship athletes as opposed to just tuition.

Various states began passing legislation that dropped restrictions on student-athlete compensation for name, image, and likeness, rendering NCAA bylaws null and void in those states. Further legislation and court rulings against the NCAA's enforcement apparatus have led to a "Wild West"-like effect in college athletics, with different schools following different sets of rules and little enforcement of any existing rules.

In 2020, Grant House, a former swimmer at Arizona State University and Sedona Prince, a former basketball player at both TCU and Oregon, filed a lawsuit against the NCAA seeking damages due to their inability to produce income for themselves based off their NIL when they were in college. The preliminary settlement for that lawsuit was completed in August of 2024, with the final approval by courts on April 7, 2025.

The terms of that settlement have far-reaching and significant impacts on the landscape of college athletics beyond the Power 4 conferences of the SEC, Big Ten, Big XII, and ACC. Not only will Division I athletes be affected - the ripples from the decision may be felt all the way down to Division III and possibly into the NAIA.



KEY POINTS

- Continued losses in federal court have led the NCAA to change its amateurism model to allow the payment of student-athletes by third parties for their name, image, and likeness.
- The recent settlement in the House v. NCAA lawsuit will have far-reaching effects on more than just the Division I programs that are party to the settlement.
- Roster caps in Division I will limit the number of athletes allowed to participate in all sports at that level.
 - Tennis will be limited to ten roster spots.
 - Golf will be limited to nine roster spots.
 - Conferences may impose greater limits on roster spots as the SEC has proposed a limit of eight for golf teams.
- All spots on the roster can now be fully-funded scholarships, but that decision is left up to each individual school.
- In the next year we predict a tidal wave of Division I athletes moving to other Division I, II, or III schools as a result of roster cuts.
- College coaches are making difficult and agonizing decisions about their rosters in a short period of time and with limited information.
- Current high school student-athletes need to have patience when it comes to the recruiting process because colleges, athletic departments, coaches, high school administrators, college advisors, and coaches are trying to adjust to a quickly-changing set of rules.
- The current changes are probably the beginning as opposed to the end of the shifts in the NCAA, its model, and its rules – other major reforms may be on the horizon.



OUTLINE OF THE SETTLEMENT

The first item that is important to note is that the only direct effects of the settlement will be on Division I schools – all consequences to Division II and III will be indirect as those divisions were not included in the *House v. NCAA* decision. The settlement can also have different effects on Division I schools depending on how schools and conferences decide to proceed.

Damages to Former Athletes

Rather than going to trial where the NCAA has lost every major decision over the last decade, the organization decided to settle *House v. NCAA* in order to limit the financial damage to itself and member schools. Although the Power 4 schools were named as defendants in the lawsuit, all Division I schools will be forced to pay into the \$2.58 billion settlement. Schools will not be forced to produce the funds directly – instead, the NCAA will deduct funds from NCAA tournament distributions from schools and place the funds directly into the settlement pool. In other words this will have an effect on each school's future revenues over the next ten years. Any student-athlete who participated in Division I collegiate athletics from 2016-2024 can seek damages, but the bulk of the settlement money is expected to go to football and men's basketball players.

Direct NIL Payments to Current and Future Athletes

Where this becomes incredibly complicated and most likely to affect Saddlebrook student-athletes over the next several years is in how the schools will relate to their athletes beginning in fall 2025. First off, all Division I schools must comply with the following conditions of the settlement:

- All NIL payments from the school, the school's collectives (groups of boosters, alumni, companies, etc. that pool money for NIL deals with athletes), and individual school boosters must be put through a fair-market assessment.
- Student-athletes must report any third-party contracts (not organized by the school) worth \$600 or more to the school's compliance or NIL department.

Secondly, all Power 4 schools and any other Division I conferences or schools that opt into the settlement must follow these conditions:

- Enhanced benefits to student-athletes including direct payments for use of name, image, and likeness.
- Up to 22% of revenue or ~\$20 million dollars may be used to compensate student-athletes.
- Athletic departments must follow the new roster limits:
 - Ten roster spots for men's and women's tennis
 - Nine roster spots for men's and women's golf
 - Every roster spot may now be offered a full scholarship as opposed to the previous scholarship caps.
 - Schools can also continue offering partial scholarships to athletes.
- Opting-in protects schools from future NIL litigation.
- If a school opts in, every team in the athletic department must follow the conditions of the settlement – schools cannot pick and choose which teams will follow old rules and new rules.
 - The only exception to this is schools that have teams within the athletic department competing across divisions (baseball in D-I, tennis in D-II).
- Schools can opt-out at a later date, but must be in full compliance with old bylaws, meaning they cannot have any student-athletes "on contract."



Alabama, Arkansas, Auburn, Florida, Georgia, Kentucky, LSU, Mississippi, Mississippi State, Missouri, Oklahoma, South Carolina, Tennessee, Texas, Texas A&M, Vanderbilt



Illinois, Indiana, Iowa, Maryland, Michigan, Michigan State, Minnesota, Nebraska, Northwestern, Ohio State, Oregon, Penn State, Purdue, Rutgers, UCLA, USC, Washington, Wisconsin



Boston College, California, Clemson, Duke, Florida State, Georgia Tech, Louisville, Miami, North Carolina, NC State, Notre Dame, Pittsburgh, SMU, Stanford, Syracuse, Virginia, Virginia Tech, Wake Forest



Arizona, Arizona State, Baylor, BYU, UCF, Cincinnati, Colorado, Houston, Iowa State, Kansas, Kansas State, Oklahoma State, TCU, Texas Tech, Utah, West Virginia

POWER 4 SCHOOLS (MUST ADHERE TO ROSTER CAPS AND REVENUE SHARING)

WHY IS ALL OF THIS HAPPENING?

First and foremost, football drives pretty much every decision in college athletics. The amount of money involved in college football has exploded in the last two decades, specifically in the television contracts signed by individual conferences, and to a lesser extent in ticket sales and booster fees at individual schools. As schools could not pay athletes per NCAA rules, a facilities arms race developed amongst the schools that sought out the highest-level football recruits. Standalone football facilities that include indoor practice fields, massive and well-equipped weight rooms, and amenities like barber shops, slides, pools, and sleep pods began popping up at the major Division I schools as every athletic department tried to one-up the previous “best” facility.

With the *O'Bannon* and *House* decisions much of the money that had been diverted to the facilities arms race will likely now find its way into the hands of the athletes, but the catch is that the vast majority of that money will go to the football teams at most schools.



[YouTube: Tour the University of Alabama's Football Facility](#)

Opting-In Versus Opting-Out

For schools that do not compete at the highest levels in football it might make sense to opt-out of the *House* settlement – they could run their athletic departments as they have in the past with little to no disruption. Conferences or schools that opt-out will have the ability to carry more than ten tennis players on their roster or more than nine golfers on their roster, and it appears the old scholarship limits would apply (although that may not have been decided yet). But at this point the only conference that has opted out of the settlement is the Ivy League which does not offer athletic scholarships to student-athletes.

A number of schools and conferences have already declared their choice to opt-in to the terms of the settlement including the Horizon League, the Coastal Athletic Association, a number of Atlantic-10 schools, and a smattering of schools across the country. Many of the schools that have opted-in do not have football programs, so why are they jumping into a settlement that has more to do with football than anything else? It has to do with the only other college sport that produces a profit, and that is men's basketball.

Every year the NCAA distributes television money generated by the men's NCAA basketball tournament to each of the Division I conferences. Every time a team advances in the tournament they generate a “unit” for their conference. Each unit is worth about \$2 million. This money is then distributed by the conference in any way that they see fit. When St. Peter's, a small school in the MAAC conference, won three games in the 2022 NCAA Tournament they earned an additional \$6 million for their league. How much of that was to go to St. Peter's was decided by the MAAC.

ESPN: Financial 'jackpot' unlikely for cash-strapped Saint Peter's Peacocks despite generating NCAA tournament revenue

The key to all of this is many of the mid-major and low-major Division I schools fund their athletics programs through NCAA tournament units. What has developed is a giant game of The Prisoner's Dilemma – although the best option for an individual school may be to opt-out and maintain the status quo, all of these schools and conferences that have opted in are doing so because *they feel they have to in order to stay competitive in men's basketball* because other schools and conferences could or will opt in for the very same reason.

WHAT DOES THIS ALL MEAN FOR TENNIS, GOLF, AND OTHER OLYMPIC SPORTS?

Unfortunately, only the biggest schools make money from athletics. The reality is that most athletic departments do not make enough revenue from NCAA tournament units, television and streaming deals, booster fees and donations, and ticket sales to fund all the costs incurred by the sports they sponsor. Travel costs, scholarships, coaches' salaries, medical care and insurance, facilities, public relations and media, etc. dictate that most athletics departments be subsidized by the academic side in the form of tuition and activities fees levied on the entire student body. Contrary to what many talking heads argue on television or influencers bloviate on social media, the NCAA and its member schools do not PROFIT billions of dollars each year from college athletics. Most of the revenues earned by the NCAA and the schools are funneled back into the aforementioned costs of running the athletic department.

USA Today: NCAA Finances: Revenue and Expenses by School

With tight budgets, the loss of revenue due to the damages from the *House* settlement, and the necessity of funding NIL (and most likely direct payments in the form of salaries in the near future) athletic departments will either have to find new sources of funding or possibly make cuts to their athletic programs. It is difficult to say exactly what all of the consequences of this new era will be, but we can make educated guesses about the future of college sports.

"That's going to be an agonizing process [cutting rosters]... It's going to eliminate what I love most about coaching – developing a diamond in the rough."
--Bob Bowman, Texas Swim & Dive Head Coach

The first thing we know is that every program that opts into the *House* settlement will have to abide by roster caps. This will have profound effects – any schools that currently have a roster greater than the new limits that go into effect next year will have to cut players from their teams. This will be a difficult process for coaches and players alike, although the players will deal with the worst of the consequences.

Runner's World: A Historic Change Could Bring New Money to College Athletes—but It's Already Crushing Some Runners' Dreams

The Wake Forest men's tennis team currently carries 19 players. Seven of those players are either graduate students or seniors, so their head coach will have to eliminate two spots on his team outside of the players who have exhausted their eligibility, and if he wants to bring in anyone from the transfer portal (more on that in a bit) or in high school recruiting he will have to cut even more players from his roster. There is even talk that the SEC will set even lower limits (eight instead of nine in men's and women's golf). Unless those players decide to stay at their school and remain on campus only for academics, then they will

have to find a landing spot at a new school, which means entering the transfer portal and moving to a less competitive school and conference that has open spots on the roster.

Yahoo: 'Creating havoc everywhere' – House-NCAA settlement causing crunch for Olympic sports as roster limits come into focus

Then there is the transfer portal. Thanks to other court decisions the restrictions on transferring have all but gone by the wayside. A student has the ability to transfer after each year of competition without penalty. I don't foresee a lot of

NIL shopping in college tennis and golf (certainly not to the extent that we're seeing in college football and basketball with six- and seven-figure dollar NIL deals), but there are other reasons why a student-athlete may want to leave his or her current school including playing time, relationships with coaches or other players, weather, etc.

We also need to look at scholarships. All schools that opt-in to the agreement are now free to provide full scholarships to every player on the roster. BUT, since most schools are either budget-neutral or run their athletic departments at a loss we should not expect the mid-major and low-major schools to increase their funding for scholarships - remember that the athletic departments have to pay the academic side of the university for the tuition and fees of every athlete that is on scholarship, so it is not realistic for most of these schools to increase the number of scholarships on offer.

HOW IS RECRUITING GOING TO CHANGE?

All of this means that high school recruiting for the foreseeable future is just going to be more difficult. Junior golfers and tennis players will have to adjust their expectations for scholarships and the quality of the program they would like to play at. It is difficult to imagine that coaches will take a flyer on a player (recruit someone who will not play until their junior or senior year and use the freshman and sophomore years to develop) - I expect that high school players will have to step in immediately and contribute to the on-court or on-course success of the team.

I can say that in men's basketball, the coaches in the high-majors have begun relying on the transfer portal to a much greater extent than high school recruiting. I have not necessarily seen this work its way into college golf and tennis, but it is important to remember that if it appears that a school will have three roster spots open for the next year, junior golfers and tennis players will be competing for those spots with other high school graduates and possibly college transfers. The graphic below shows the teams advancing to the Sweet 16 in this year's NCAA Men's Basketball Tournament and where their top-8 players in terms of minutes played per game started their college careers.

Sweet 16 Teams - Players' Original D1 Teams

Top-8 Players by Minutes per Game



On3: Sweet 16 rosters stockpiled with thriving transfer portal stars

One other aspect we must consider in athletics in general is that coaches are paid to win games. Unless an athletic director is content with an average or mediocre athletics program, he or she is going to replace coaches who don't win with coaches that he or she believes can win. Coaches at low-major and mid-major programs want to move up to coach at high-major or Power 4 programs. With this constant pressure to win, the desire to improve their own standing in the coaching community, and the limitations that come with caps on their rosters, Division I coaches may begin to forego high school recruiting and focus on the transfer portal. And it's easy to understand why - they can look at the results that players at mid-major, low-major, and Division II programs have had IN COLLEGE, where the pressure is

different from juniors tournaments, and they can choose to bring in college players that have established that they can play and win at a high level in college. Juniors results don't always translate to college golf and tennis, and coaches can't afford to miss on any recruits with the limited number of positions available on their roster. Also consider that coaches want to run competitive practices where their starting five or six are challenged each day to get better by the players who do not normally make the starting lineup. Finding nine or ten high-level, competitive players to fill out their roster will not be a luxury, it will be imperative to the team's success.

The advice I will give to all high school students and their parents is to have patience with the new process. I realize it is going to be incredibly frustrating to wait on offers until coaches sort out their roster situations, but it is something that we are going to handle together. Positive steps you can take are to ***maintain contact with any coaches you have already started developing relationships with; speak to more coaches throughout the latter parts of the recruiting process (choose amongst 10 schools instead of the normal 5); look at lower-level schools, conferences, or divisions; and most of all please show the college coaches grace.*** They have been put in an untenable position through no actions of their own – remember that all of these decisions are being made by conference commissioners and college presidents – even some athletic directors have been left out of the decision-making process.

IF DIVISION I IS NOT AN OPTION, WHAT ARE THE OTHER OPTIONS FOR ATHLETES?

Divisions II and III

There are other options for junior golfers and tennis players if your dream program doesn't have spots available on the roster. As mentioned before, you can look into low-major and mid-major programs in Division I if you have a qualifying scoring average or UTR. Otherwise, look into Division II and Division III programs. Many D-II programs are public universities with lower tuition and costs, but they tend to be less prestigious. If your ultimate goal is to continue your education at a high-level academic institution for law, medicine, or another graduate program you will want to look into Division III schools. Many of these institutions are highly respected, but most are private colleges and universities and their tuition and cost of attendance is substantial. D-III schools do not offer athletic scholarships, but most if not all offer competitive financial aid packages.

[NCAA Membership Map](#)

NAIA

The National Association of Intercollegiate Athletics is another organization that sponsors college athletics, albeit on a much smaller scale than the NCAA. The NAIA includes a mix of public and private colleges and universities that run athletics departments that remain revenue-neutral. Although the talent at the NAIA level is not what you would find in Division I of the NCAA, there are some schools – especially in the southeast and southwest parts of the country – that carry Division I talent on their rosters.

[NAIA Membership Map](#)



The JUCO Route

Junior colleges offer classes that meet the general education requirements for the first two years of college. Although some junior colleges have begun offering four-year degrees (and in so doing become full-fledged colleges like Pasco-Hernando State College), a degree from a traditional four-year institution remains the standard. However, with the new roster caps in place in Division I along with the transfer portal, we may begin to see junior college players become more heavily recruited by NCAA coaches because of their experience playing college sports. In addition to those developments, the case surrounding Vanderbilt football player Diego Pavia is laying the foundation for increasing the number of years JUCO and NAIA transfers are eligible to play in the NCAA.

[ESPN: NCAA grants waiver to ex-JUCO players while appealing Pavia ruling](#)

Club Golf and Tennis

Aside from varsity college golf and tennis which most everyone is familiar with, there are also club sport opportunities at many schools. Several former Saddlebrook athletes who wanted to attend a particular college for academic reasons played their sport at the club level. Club tennis hosts a national championship each year at the [USTA National Campus](#).



It's important for all of our students to understand that if they wish to play their sport in college - even in this environment that seemingly changes from day to day - there are absolutely going to be opportunities for that to happen.

WHAT DOES THE FUTURE LOOK LIKE?

The future is sheer speculation, but there is a lot of talk amongst college athletics experts and fans that the SEC and Big Ten will split the remaining notable, profitable programs from the ACC and Big XII - think Clemson, Florida State, North Carolina, Duke, and Kansas - essentially killing off the Power 4 and creating two mega-conferences that control the money, the rules, and the decision-making. The wheels have already been set in motion for this scenario to play out with the movement of Texas and Oklahoma to the SEC; the collapse of the Pac-12 and the migration of USC, UCLA, Oregon, and Washington to the Big Ten; and Clemson and Florida State's financial settlement with the ACC concerning the financial penalties for withdrawing from the conference prior to the year 2036. Every major program in the NCAA is eyeing a move to the SEC and Big Ten because that is where the money is and that is where the money will be in the future.

ESPN: ACC, Florida State, Clemson reach revenue distribution settlement

Also of note and concerning to anyone who wishes to retain the status quo were SEC commissioner Greg Sankey's comments regarding the NCAA Men's Basketball Tournament:

"We are giving away highly competitive opportunities for automatic qualifiers [from smaller leagues], and I think that pressure is going to rise as we have more competitive basketball leagues at the top end because of expansion."

As the SEC and Big Ten grow and put more distance between themselves and the mid-major and low-major athletic programs, there will continue to be pressure to look at who gets into the NCAA Tournament going forward. It is hard to imagine that the NCAA would allow its most successful and popular tournament (the NCAA does not own or administer the College Football Playoff) to be restructured over the complaints of two participating leagues, but with the NCAA's popularity at pretty much an all-time low and its power and influence waning by the day, the SEC and Big Ten may just decide to seize the opportunity to start their own college athletics sanctioning body a la the NFL, NBA, or Major League Baseball. This is the nuclear option, but it is within the realm of possibility.

New York Times: As NCAA mulls expansion of March Madness, a bigger question: Who will be in charge of it? (Behind paywall; use reading view to access)

Also on the horizon will be answering the question of whether college athletes are themselves employees of the colleges and universities they play for. Northwestern football tried unsuccessfully a few years ago to unionize, even gaining some support from the National Bureau of Labor Relations, a federal government agency. Collectivization is back and will be a part of the conversation going forward.

It is important to note that none of this is going to happen tomorrow - there are too many interests at stake, too many complex issues to handle, and there will most likely be a lot of litigation to follow any moves made by the Power 4. However, we could see these developments in the next few years.

SI: Gluttony by the Big Ten and SEC Would Be Catastrophic for College Sports

With everything up in the air regarding the future structure of college athletics, I will be sure to keep on top of it and send out updates to students and parents anytime new information comes out. I will send another email soon regarding to ensure that everyone has the latest information on the status of Name, Image, and Likeness.

Please keep up-to-date with all of the goings-on in the recruiting world by bookmarking the Saddlebrook Advising site at <https://crosenke.wixsite.com/college> - here you will find documents and resources for every stage of the recruiting process.

