



Name, Image, & Likeness (NIL)

January 17, 2024

Background

In the past, the NCAA prohibited student-athletes from profiting from their NIL. However, in June 2021, the NCAA implemented NIL to allow student-athletes to earn money from their brand.

Athletes can generate revenue from NIL in several ways, including signing endorsement deals, appearing in advertisements, selling merchandise or signed memorabilia, getting compensated for social media content, and signing with booster-led NIL collectives.

The "**NIL House Settlement**" refers to a proposed legal settlement in the case of "House v. NCAA," where former college athletes are suing the NCAA for denying them the ability to profit from their Name, Image, and Likeness during their playing careers, resulting in a large payout of damages to eligible athletes and essentially providing them with back pay for lost NIL opportunities. The settlement is currently awaiting final approval by a judge and could significantly change the landscape of college athletics by establishing a new system for revenue sharing with athletes based on NIL rights.

NIL stands for "name, image, and likeness" and refers to the rights of college athletes to control and profit from their personal brand.

- **Name:** An athlete's legal name
- **Image:** How an athlete visually appears in photos or videos
- **Likeness:** An athlete's identity and persona, including their voice, habits, or other unique characteristics

Recent NIL Initiatives in Other States

- **Georgia**
 - Whether or not the "House" settlement is fully approved, **Georgia's colleges and universities can now directly pay their athletes** for their name, image, and likeness based on a September 17th, 2024, executive order from Governor Brian Kemp.
- **Tennessee**
 - The University of Tennessee announced a **10% "talent fee"** on all tickets for the 2025 season to help pay its athletes. In addition to the

talent fee, the school also announced a **4.5% increase on all football tickets**.

- **Oklahoma**
 - The head coach of the Oklahoma State University football team recently agreed to pay cuts that will be redistributed to players in the form of NIL and revenue sharing.

Are Other States Allowed to Use Education & General (E&G) State Appropriations for Athletics?

- **California**
 - **Yes**, possible funding sources for athletics in California include the state's General Fund.
- **Georgia**
 - **No**, University System of Georgia institutions may not use state appropriations to fund athletics.
- **New York**
 - **Yes**, the State University of New York system can use general fund/state operations support to fund intercollegiate athletics programs.
- **North Carolina**
 - **No**, University of North Carolina institutions cannot spend E&G state appropriations on athletics **unless specifically authorized in law**.
- **Tennessee**
 - **Yes**; however, it is notable that athletics are self-supporting at the University of Tennessee Knoxville.
- **Texas**
 - **No**, Texas higher education institutions cannot use E&G state appropriations for intercollegiate athletics.

Are Other States Allowed to Use Surplus/Available Funds from Other Auxiliary Enterprises (e.g. Housing or Food Services) for Athletics?

- **Georgia**
 - University System of Georgia (USG)
 - **Yes**, while not explicit in Board Policy, the USG's Business Procedures Manual defines Intercollegiate Athletics as an auxiliary enterprise. The manual also allows institutions to operate certain auxiliary enterprise activities on a loss basis but requires that the institution provide a 5-year business plan that shows how such losses would be covered by revenues generated from other auxiliary activities.

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- **North Carolina**
 - **Yes**, there is no prohibition on using auxiliary funds to support athletics in North Carolina, and historically, there are multiple institutions that have done this. That said, the state is actively working with institutions to diminish the reliance on these sources.

- **Tennessee**
 - **Yes**, it is technically possible but it is not common practice among the institutions. The closest approximation may be that a housing fee is waived for an athlete, offering an indirect subsidy from auxiliaries to athletics.