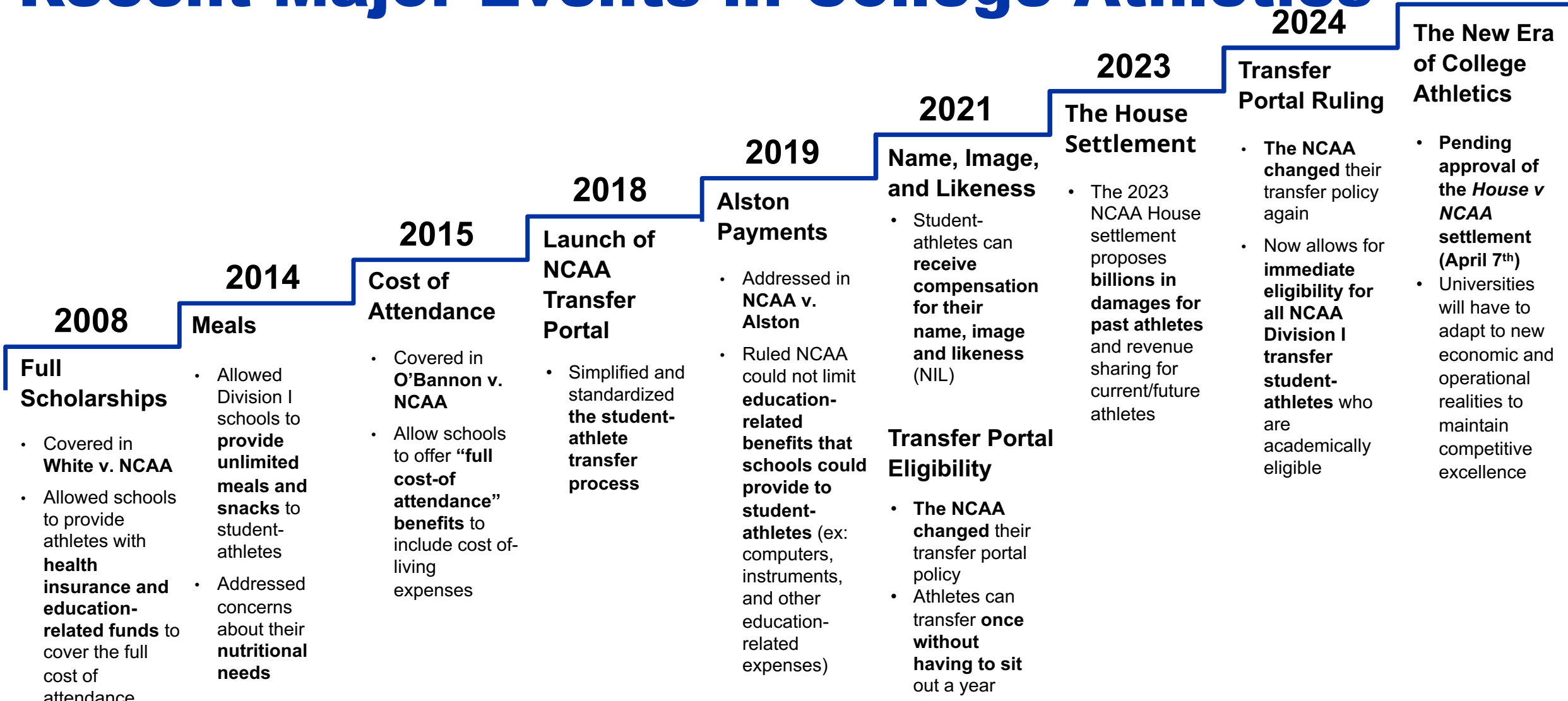


# Document A - Recent Major Events in College Athletics + House Settlement (4 pages)

# Recent Major Events in College Athletics July 1, 2025



# House v. NCAA | Settlement Overview

1: On 2/27, Kentucky legislation was passed allowing schools to directly pay college athletes through revenue sharing

Beginning with the first academic year following formal approval of the proposed settlement in House v. NCAA, Division I institutions will be permitted to make direct payments to student-athletes under a specific set of guidelines and within the limits of pre-determined maximums based on average revenues across the Power 5.

## SETTLEMENT TERMS

### What Does This Mean?

- DI institutions may make direct payments to student-athletes.
- New roster limits have been set, and all scholarships will be equivalencies.
- Conferences have discretion on eligibility for payments.

### Categories of Revenue

- Settlement explicitly creates eight (8) categories of revenue that can be shared with student-athletes.
- Payments can be made directly by University for NIL, institutional brand promotion, or other rights (but explicitly NOT for NIL in connection to the broadcast of live athletic competitions).

### Benefits Pool

- Up to 22% of average revenue of P5+Notre Dame, with increase of 4% every year.
- Includes any and all NEW money not PERMITTED prior to settlement.
- May be recalculated every 4 years based on new media deals or other material changes.

## KEY OUTCOMES

### Payments to Student-Athletes<sup>1</sup>

- Direct payments to student-athletes for NIL, institutional brand promotion, or other rights are permitted.
- Payment for NIL rights connected to broadcast of live athletic competitions are NOT permitted.

### Roster Limits/Scholarships

- NCAA proposed new roster limits for all sponsored sports, eliminated scholarship limits.
- Conferences may adopt their own limits (SEC already adopted), but it can't exceed NCAA limits.

### Benefits Pool

- All NEW money not previously PERMITTED can count toward benefits pool, including scholarship/cost of attendance, Alston, and other direct payments.

### Prohibited Agreements

- May not make NIL payments to student-athletes connected to broadcasting their likeness in live athletic telecasts.
- Student-athletes cannot challenge member/conference rights to include them.

### Associated Entity

- Any entity established by, controlled by, raising funds for, providing services for, or supporting the University's mission.
- Donated funds other than from athletics restricted endowments cannot be used to pay student-athletes.

### Student-Athlete Backpay

- The House settlement provides for \$2.8B in the backpay of damages to DI student-athletes who competed between 2016-2024 and were not eligible to fully monetize their NIL.

# House Settlement Overview

## Case Overview

**Filing and Allegations:** Case alleges the NCAA unlawfully restricts college athletes' earning potential by prohibiting pay beyond scholarships

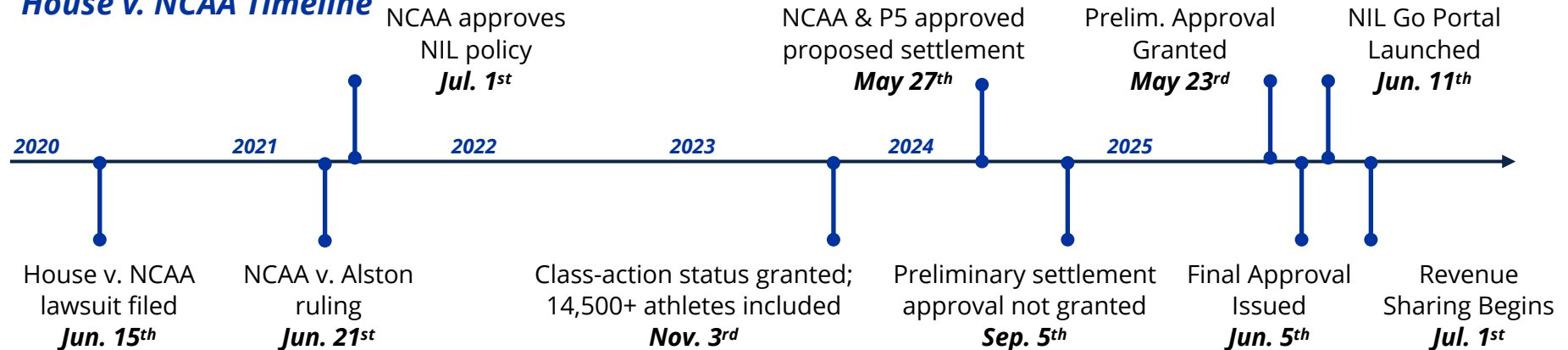
**Context:** Following the Supreme Court's *NCAA v. Alston* (2021) decision, which allowed education-related benefits, this case challenges broader compensation restrictions

**Plaintiffs:** While this case began with Sedona Prince and Grant House, settlement talks expanded the scope to include plaintiffs in *Hubbard v. NCAA* and *Carter v. NCAA* as well

**Legal Arguments:** The lawsuit argues that the NCAA's NIL restrictions are an unreasonable restraint of trade and directly violates Section 1 of the Sherman Antitrust Act

**Related Cases:** *Fontenot v. NCAA* – claims that NCAA has illegally prevented athletes from earning fair share of revenue; *Johnson v. NCAA* – focuses on whether college athletes should be considered employees under FLSA

## House v. NCAA Timeline



## Settlement Details



**Back Payment:** As part of the settlement, ~\$2.8 billion will be distributed over 10 years to ~14,500 former and current Division I athletes who competed between 2016 and 2021, as compensation for lost NIL opportunities.



**Revenue Sharing & Salary Cap:** Schools may share up to \$20.5M annually (est. 22% of avg P5 + Notre Dame revenue across ticket sales, media rights, NCAA/Conf distributions, other guarantees) with student-athletes each year. The cap includes direct payments and Alston-related benefits but excludes third-party NIL deals and traditional scholarships.



**Roster Limits:** Roster caps will replace scholarship limits starting in 2025–26 (e.g., 105 for Football, 15 for MBB, 15 for WBB). Sports will follow an equivalency model, allowing schools to divide scholarships across multiple athletes.



**NIL Go and College Sports Commission:** Formed in response to the House settlement, NIL Go is the NCAA's portal for reporting NIL deals, while the College Sports Commission is an independent body overseeing compliance with NIL reporting, revenue sharing and roster limits across Division I.

# NIL Go and College Sports Commission Overview

As a result of the House settlement, NIL Go and the College Sports Commission were created to deliver transparency and accountability in how student-athletes are compensated.

	<i><b>NIL Go</b></i>	<i><b>College Sports Commission</b></i>
<b>What it is</b>	<ul style="list-style-type: none"><li>• A <b>centralized platform</b> for tracking, reporting and evaluating NIL transactions for NCAA Division I athletes.</li></ul>	<ul style="list-style-type: none"><li>• An <b>independent regulatory and enforcement body</b> to oversee the new college athletics compensation model, including NIL and direct-pay systems.</li></ul>
<b>Key Functions</b>	<ul style="list-style-type: none"><li>• <b>Transaction Reporting:</b> All NIL deals <b>valued at \$600 or more</b> must be submitted by student-athletes for approval.</li><li>• <b>Compliance Oversight:</b> Ensures deals align with fair market value based on key factors (e.g., athlete’s role, comparable deals, market considerations)</li><li>• <b>Standardization:</b> Establishes uniform data collection across all Division I schools.</li></ul>	<ul style="list-style-type: none"><li>• <b>Enforcement:</b> Oversees NIL Go data, investigates potential violations and applies penalties.</li><li>• <b>Rulemaking &amp; Guidance:</b> Issues interpretations and standards for revenue sharing, roster limits and fair NIL practices.</li><li>• <b>Appeals &amp; Disputes:</b> Acts as a neutral arbiter for schools, athletes, or third parties seeking resolution.</li></ul>
<b>Operator</b>	<ul style="list-style-type: none"><li>• <b>Managed by Deloitte</b>, contracted by the NCAA and supported by the College Sports Commission.</li><li>• Deloitte provides technical infrastructure, data security, and user support.</li></ul>	<ul style="list-style-type: none"><li>• <b>Established as an independent body</b> — not directly part of the NCAA or any single conference.</li><li>• Expected to be staffed by compliance experts, legal professionals and former administrators with oversight experience.</li></ul>
<b>Collaboration Model</b>	<ul style="list-style-type: none"><li>• <b>NIL Go collects and tracks NIL deals</b> (valued at \$600+) from athletes, creating a centralized data source for all Division I programs.</li><li>• <b>The College Sports Commission uses NIL Go data</b> to monitor compliance, investigate violations and enforce rules on NIL, revenue sharing and roster caps.</li></ul>	



# **Sports Broadcasting Act and Media Pooling White Paper: Executive Summary**

The centralization of college sports media rights being proposed as part of the SCS framework will introduce significant legal, financial, and operational risks to the college sports landscape. Historical evidence, comparisons to professional leagues and current market trends strongly favor the current decentralized conference-level approach, which drives revenue growth, preserves institutional autonomy, and supports student-athlete welfare. Federal intervention in the college sports media markets will likely reduce revenue, create bureaucratic inefficiencies, and destabilize existing agreements, making the proposal both impractical and counterproductive.

## **Context and Current Landscape**

- College athletics is at a major inflection point following the House antitrust settlement and a series of lower court decisions and changes in law at the state level allowing schools to compensate athletes and invalidating key NCAA restrictions.
- These changes have produced additional financial pressure on schools that seek to maintain competitive athletic programs and a wide variety of athletic offerings for students.

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## **The SCS Proposal**

- Claims centralizing media rights for all 136 FBS teams under a federally appointed panel will increase revenue, create parity, and save Olympic, women's and non-revenue sports—but provides no meaningful data or information to back up these claims
- Requires amending the Sports Broadcasting Act (SBA) of 1961 to provide antitrust immunity and abrogating existing media contracts by blocking the exercise of renewal or extension provisions of those agreements (including provisions related to distribution of women's and Olympic sports and investments in conference media networks).
- Will deliver less revenue to colleges and athletes than current conference structures will as existing conference-wide media agreements are renewed.

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## **Key Risks and Flaws**

- **Revenue Assumptions:** The revenue increases projected by SCS rely on the unrealistic assumption that all major media deals will be renegotiated immediately and approximately doubled in value.
- **Legal Exposure:** The current FBS media landscape is built around large multi-year agreements between conferences and media partners. These are complex and highly-negotiated agreements that involve billions of dollars. The SCS proposal is premised on the notion these agreements could be re-negotiated in the near term and that the inevitable increase in value from those renewals will be sufficient to fund all of college sports. However, in the absence of federal action to invalidate, abrogate or terminate these valuable private contracts, there is no possible external mechanism that could accelerate the renewal process to produce that value increase. Moreover, abrogating these contracts, or even just the renewal and extension provisions (as proposed in the SAFE Act), could trigger breach claims, takings challenges, and destabilize future investments and transactions. In addition, media partnerships with conference-owned networks (a significant source of media distribution for non-revenue sports) could be impacted.
- **Operational Complexity:** Centralizing scheduling and production for thousands of games is unworkable compared to the NFL's 272-game model and NBA limited game media packages.

- 32 NFL Teams
  - 30 NBA Teams
  - 136 FBS Teams (football only)
  - **Loss of Autonomy: Colleges and conferences would lose control over scheduling, rivalries, and brand stewardship.**
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### **Professional League Comparisons and Historical Lessons**

- **SCS proposals incorrectly assert that recent NBA media gains are based on aggregating games and provide a model for pooling FBS media rights. SCS has advanced the argument that since the NBA audience is half as large as college sports but generates twice as much revenue, the answer is simply to adopt an “NBA-style” approach by pooling all of the media rights—which will then produce a substantial increase in revenue as was the case with the last NBA media rights deal. However, the increase in NBA media revenue was not the consequence of pooling rights, but rather market dynamics and deft packaging of media assets.**
    - **80% of NBA games are distributed by teams on a local basis. NBA media packages comprise a limited number of games and there are limits on how many games can be taken from teams for league-wide packages**
    - **NBA media renewal increases were also not driven solely by audience size and came at a time when viewership was actually decreasing (18% from 2023-24 to 2024-25). Media asset values are also strongly influenced by factors like net subscriber additions for media partner platforms (particularly true for streamers), enhanced value of carriage and affiliation deals for properties by including NBA games.**
    - **Market dynamics were significantly responsible for the increase in NBA media asset value. Comcast/NBCU re-entered the market aggressively seeking to take NBA inventory from WBD Discovery to help launch Peacock Sports and Amazon emerged as a new market entrant with a special interest in international market development and distribution—fueling demand for the limited NBA rights packages**
  - **This exact approach to licensing college football media rights was attempted in 1984 and failed.**
    - **After antitrust ruling barred NCAA from pooling all media rights, CFA was created to pool the football rights of the largest 64 Division One football schools but produced less revenue than old system**
    - **Schools and conferences left the CFA because they generated MORE revenue at the conference level than as part of the CFA pool.**
  - **Historic conference renewal rates demonstrate that upcoming renewals will be maximized by current conference structure.**
    - **The last cycle of college renewals generated an average annual revenue step-up of 2.8x—meaning that the last round of conference media renewals grew at the same pace as the NBA’s recent and much-cited renewal**
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### **Why Decentralization Works**

- **Conference-level control preserves flexibility, regional identity, and fan engagement and continued strong growth in value of media assets.**
  - **Market forces—not government mandates—drive media rights value through renewals, competition, and innovation.**
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## **Bottom Line**

- **Centralization of college sports media rights is a misguided strategy and will not save college sports: instead, it will introduce bureaucracy, legal chaos, and is actually likely to reduce revenue over the long term.**
- **The strongest drivers of growth: media renewals, digital expansion, and competitive bidding—are already embedded in the current system and the revenue increases claimed by SCS to be necessary will be surpassed by the current conference structure.**

**For media inquiries, contact: [inquiries@sandersonstrategies.com](mailto:inquiries@sandersonstrategies.com)**

# From the Arena, Not the Sidelines:

## College Athletics Is Running Out of Time

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*By*

**President Dr. Gerry Bradley**  
**Josh Heird, Vice President and Director of Athletics**  
**Dr. Laurence N. Benz, Chairman of the Board of Trustees**  
*University of Louisville*

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The Ohio State athletic department won the College Football Playoff national championship in January 2025 and lost \$37.7 million in the same fiscal year. Penn State is now the most leveraged public athletic program in the country, carrying \$534 million in athletics-related debt. Rutgers has accumulated \$516.9 million in total athletic losses since joining the Big Ten in 2014. And Louisville — a program that generates \$1.28 billion annually in economic impact for our city and Commonwealth — is running a \$12.5 million deficit with reserves drawn down from \$34 million to \$3.4 million.

These are not stories of mismanagement. They are symptoms of a structural crisis that no individual institution can fix on its own.

We write not as observers or commentators, but as the president, athletic director, and board chairman of a Power Four university who live these numbers every day — in budget meetings, in conversations with coaches and student-athletes, and in briefings with our board. We have watched a system that was already straining under its own contradictions get hit simultaneously by litigation, the NIL era, and the House v. NCAA settlement's new direct compensation obligations. The math no longer works. And the time for incremental tinkering has passed.

The goal of this article is not to assign blame or relitigate how we arrived here. It is to tell a national story through the lens of one athletic department — ours — in the belief that what we are experiencing in Louisville is what athletic directors, presidents and trustees across the country are experiencing right now, whether they are saying so publicly or not. And it is to make the case for three structural reforms that, taken together, could actually save college athletics before it's too late.

### **INSIGHT INTO ONE ATHLETIC DEPARTMENT**

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Before we address what threatens college sports, it is important to understand what is at stake. Yes, we're telling this national story through the lens of a single athletic department, university and

community — but we're confident our issues are the same facing most, if not all, athletic departments across the country.

The goals of our athletic department are simple. We want to provide access and opportunity for young people to receive a degree from the University of Louisville through participation in one of our 23 sports. Next, we are tasked with ensuring those same students have a great experience while they participate in college athletics and compete for the University of Louisville. Lastly, we strive to be highly competitive and compete to win ACC and NCAA Championships. Without competitive success, our financial problems will only continue to grow, not just for our department, but for our entire community.

In this tumultuous time of evolution and change in college athletics, the cynic will tell you, "academics are irrelevant" — they are wrong. The graduation success rate of our student-athletes exceeded 96% this past year. The cumulative GPA of our approximately 650 student-athletes during the 2024–2025 academic year was a 3.4. We had nearly 100 students with a perfect 4.0 GPA this past fall semester. Our women's swimming team that most recently finished 7th at the NCAA National Championship meet had a team GPA of 3.62. The Louisville Cardinal Baseball team that competed at the most recent College World Series had a team GPA of 3.55. We take the responsibility of graduating and preparing our student-athletes for success after sport very seriously, and we're proud of the results.

We provide countless resources to our student-athletes to ensure they have the tools necessary to be successful in and out of the classroom. Our support services include academic advising, sports medicine, mental health and having dietitians on staff.

### **ATHLETIC DEPARTMENTS ARE ECONOMIC ENGINES**

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The competitive success of our teams is paramount in a city like Louisville. Our community does not have an NBA, NHL, NFL, MLS, WNBA or MLB team within 100 miles. The University of Louisville's sports teams are who this city cheers for, plain and simple. Communities revolve around college sports. Louisville certainly does — but so does Stillwater, Oklahoma, and Morgantown, West Virginia, and Manhattan, Kansas, and hundreds of other cities and towns across America. Too often, especially in Washington and on the coasts, people forget how important college athletics is to so many people. It is worth saving.

An independent, comprehensive valuation conducted by Collegiate Consulting confirms what the Louisville community experiences every day: Cardinal Athletics delivers extraordinary return well beyond the scoreboard.<sup>1</sup> Over the three academic years from FY2023 through FY2025, Louisville Athletics generated nearly \$3.84 billion in total economic impact, averaging \$1.28 billion annually. That figure reflects direct spending, secondary ripple effects and induced economic activity tied to events, staffing, student-athletes, visitors and external revenues. In practical terms, it means jobs supported, businesses strengthened and sustained economic activity flowing through the Louisville region and the Commonwealth of Kentucky year-round.

Through national broadcasts, streaming platforms, social media, radio and print coverage, Louisville Athletics delivered more than \$2.3 billion in brand exposure value over the same three

years. To replicate that level of national visibility through paid advertising would require an estimated \$700 million investment. That exposure elevates the University of Louisville far beyond athletics — supporting student recruitment, enrollment interest, philanthropy, partnerships and institutional reputation on a national scale.

Game days, championships, camps and hosted events produced over \$721 million in direct economic activity in just three years. Football alone accounted for roughly 60% of that impact, but sustained growth across basketball, volleyball, baseball and NCAA championship hosting demonstrates the breadth of Louisville's event-driven influence. These events fill hotels, restaurants and entertainment districts — reinforcing Cardinal Athletics as a cornerstone of the city's visitor economy. Louisville's hosting of four NCAA championship events alone generated \$53 million in economic impact while drawing over 150,000 visitors to the region.

The impact extends well beyond dollars. While student-athletes comprise less than four percent of the incoming student body, their influence is outsized. Incoming student-athletes consistently raise overall academic averages, and by FY2025, every dollar of institutional financial aid invested in student-athletes returned \$2.47 in economic value. Over the three-year study period, student-athletes, spirit team members and graduate assistants accounted for \$46.46 million in tuition and fees. Beyond campus, student-athletes contributed over 13,700 hours of community service, producing nearly \$1 million in economic and social value through volunteerism alone.

Louisville Athletics is not simply a competitive enterprise — it is a strategic asset for the University, the city and the Commonwealth of Kentucky. It fuels the local economy, amplifies the University's brand nationally, attracts visitors and investment, strengthens academic outcomes and deepens community pride. Losing any part of this engine would not only diminish Louisville — it would weaken the broader economic and social fabric of the region.

## **THE FINANCIAL CRISIS FACING COLLEGE ATHLETICS**

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The numbers cited above only scratch the surface. Yet despite generating more than a billion dollars a year in economic impact, Louisville's athletic department — like most programs nationwide — operates in the red. Our current athletic budget reflects expenditures of approximately \$167.4 million against revenues of \$154.9 million, a deficit of \$12.5 million. That gap is projected to widen significantly under the House v. NCAA settlement, which has added an additional \$20.5 million in new direct athlete compensation obligations.

To bridge these shortfalls, Louisville has relied on a \$12 million institutional subsidy, a \$200-per-student athletic fee and a \$25 million line of credit. Reserves that once stood at \$34 million have been drawn down to approximately \$3.4 million. These are not signs of mismanagement; they are symptoms of a structural problem that no single institution can solve on its own. Louisville's situation is not the exception — it is the rule. Across the country, from the wealthiest programs in the nation to those fighting simply to stay afloat, the financial picture is remarkably and alarmingly similar.

The full scope of the crisis runs deeper than those opening figures suggest. Ohio State's \$37.7 million deficit came despite generating nearly \$255 million in revenue, and its outgoing athletic

director acknowledged going “berserk” with spending to chase a title — the university’s actual FY2025 spending subsequently came in at \$320 million, the highest in college athletics history.<sup>2</sup> Rutgers’ \$516.9 million in accumulated losses since joining the Big Ten in 2014 reflects spending that has surged 175 percent in eleven years, with its new athletic director projecting expenditures exceeding \$200 million in the current fiscal year — before a single dollar of House settlement revenue-sharing is factored in.<sup>3</sup> Penn State closed FY2025 with \$534.7 million in athletics-related debt — more than tripling the prior year — driven largely by the \$700 million renovation of Beaver Stadium.<sup>4</sup> Florida State’s \$437 million debt represents a \$200 million increase in a single fiscal cycle.<sup>5</sup> The University of Texas set a new national record with \$375.9 million in operating expenses in FY2025 — a \$50 million jump over its own previous record — while carrying \$192.2 million in athletics-related debt.<sup>6</sup> Even Colorado, buoyed by renewed fan enthusiasm, projects a \$27 million department deficit for FY2026 driven primarily by the \$20.5 million revenue-sharing cap under the House settlement and a near-doubling of head football coach Deion Sanders’ salary.<sup>7</sup>

### **THE PARADOX OF NIL AND REVENUE SHARING**

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The advent of name, image and likeness rights and the coming era of direct revenue sharing have been celebrated as long-overdue compensation for college athletes. We do not disagree that student-athletes deserve to share in the value they create. But the uncomfortable reality is that, as currently structured, these changes benefit a small number of athletes in a handful of sports while placing enormous pressure on everyone else.

At Louisville, we sponsor 23 sports, 14 for women and nine for men. Twenty-one of these sports operate in the red, and two operate in the black — and we’re considered one of the lucky few. Our football program is expected to spend approximately \$30 million on financial aid, salaries, and operating costs, this total does not include revenue sharing expenses. Our football and men’s basketball program are the economic engine that subsidizes 21 other varsity programs. Our baseball program — the one that is in the nation’s top five for wins over the last 20 years — is estimated to lose over \$4 million for the 2026 season. Our women’s basketball program, which has won at least 20 games for 16 consecutive seasons, will have expenses that exceed revenues by over \$4 million. Our Men’s and Women’s Swimming and Diving and Track and Field teams will cost our department nearly \$6 million to operate this fiscal year.

The competitiveness of football and men’s basketball necessitates escalated spending — in coaching salaries, facilities, recruiting and now direct player compensation. To maximize department revenues, we must continue to do everything we can to remain competitive in both sports. Fan support is contingent upon competitive success. Twenty five percent of ACC conference gross revenues are distributed via overall viewership numbers for football and men’s basketball. The College Football Playoff revenues are no longer equally distributed among ACC members, as significant portions are now being distributed based on play-off success. As we recently witnessed with Miami’s CFP success, they secured a \$20 million payday for their department.

The consequence is a zero-sum calculus. Every additional dollar directed toward football and men’s basketball is a dollar that is not available for the swimmer, the field hockey player, the track athlete or the rower. Olympic sport student-athletes face reduced cost-of-attendance stipends, diminished

Alston payments and the very real threat of scholarship reductions — or outright program elimination — as athletic departments scramble to fund the revenue sports that keep the enterprise afloat.

This is the paradox: a system designed to help college athletes is, in practice, concentrating resources among a few, while eroding support for the many. Nationally, women's sports and non-revenue Olympic sports are the most vulnerable. These are the programs that provide life-changing opportunities for the high jumper at Washington State, the softball player at Fresno State and the cross-country runner at Louisville — opportunities that matter just as much as those afforded to any football player at any program in the country.

## **THE PATH FORWARD**

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We applaud all of those in and around the college sports industry who have come forward in recent months with ideas and potential solutions. No idea should be considered a “non-starter.” We recognize that where an institution stands depends on where they sit. A variety of factors come into play when schools are deciding what solutions might work best for them. These are complicated issues with a variety of potential solutions. However, we do passionately believe that there are three things that must happen: Congressional action, a governing body that can actually govern, and a hard and enforceable spending cap.

### **Congressional Action**

The cynics will say, “Congress shouldn't be involved in college sports.” We would argue that just like any other industry that has been unable or unwilling to govern itself, Congress must get involved before it is too late. For this to happen, industry constituencies must coalesce around a practical solution that provides support and protections to all involved. As opposed to being governed by patchwork lawsuit settlements, disparate state laws and constantly changing rules and regulations, we challenge all involved — student-athletes, conference commissioners, university presidents, and athletic directors — to come together to support a legislative fix that provides protections to all involved.

There are many drafts of bills and ideas that have been floated over the past few years by those inside and outside of Capitol Hill. The SCORE Act (Student Compensation and Opportunity through Rights and Endorsements) addresses some important governance and eligibility issues, while the SAFE Act (Student Athlete Fairness and Enforcement) goes further by proposing amendments to the Sports Broadcasting Act. We also believe that an amendment to the Sports Broadcasting Act of 1961 should be under consideration. The law granted professional sports leagues — including the NFL — an antitrust exemption that allows the league to bundle and sell the television rights of all their franchises collectively. College athletics has no such exemption. Instead, individual conferences negotiate their own media deals, resulting in a wildly fragmented marketplace. One independent analysis suggests that if college athletics were granted a similar exemption and could negotiate media rights as one unified entity, the resulting deals could generate between two to three times the current media rights revenue. Other analysis suggests a lower number. Regardless, the revenue would not need to be split evenly — schools that generate more

viewership could still receive proportionally more — but the rising tide would lift every institution. For a school and conference like Louisville and the ACC, this could be transformational. It could mean the difference between budget deficits and sustainability, between cutting programs and expanding opportunities. Again, we don't have all the answers nor are we experts — but we believe that everything should be on the table.

Any congressional action should address federal preemption. Right now, more than thirty states have different laws regarding NIL and enforcement. State courts and state attorneys general deliver contradictory rulings that impact eligibility, enforcement and finances. What is permissible in one state is prohibited in another. That is simply unsustainable if we are trying to solve for national problems. At a minimum, federal legislation should make the playing field fair.

Again, we don't have the answers, but we know that congressional action is a key piece of the pyramid to addressing the college sports crisis. Passage of the SCORE act by the House of Representatives would be an important step in the right direction. Passing legislation in the House would transition the debate to the Senate, where there has been increased support to adjust or amend the Sports Broadcasting Act to include college sports.

### **Governance**

When we think of governance of any entity, we think of leadership that is respected, proactive, fairly enforces the rules and works for the benefit of the whole, not the part. Currently in our college sports system, we have the National Collegiate Athletic Association (NCAA), the College Sports Commission (CSC), the conferences themselves and — as noted above — states involving themselves in the governance of college sports. This collection of oversight is not working and alternatives should be considered.

As a result of the terms of the House settlement, the major conferences established the College Sports Commission to codify the rules and to enforce them. To date, that has been a struggle. Conferences and institutions cannot even agree on the terms of a Participation Agreement that would bind schools to the rules and procedures. The threat of lawsuits over any CSC actions looms heavy. The entity has also come under criticism for the delays in approving or denying student-athlete NIL deals and what deals count as “legitimate.” This is not putting blame on the men and women of the CSC or even the CSC itself. Actually, we applaud their efforts in this current environment. Rather, we are simply pointing out that — to date — there has been no true enforcement of a hard spending cap, inclusive of revenue-sharing and “above the cap” NIL deals.

Perhaps the best solution is start from scratch in the form of a congressionally chartered governing body that could provide a more durable and coherent framework for intercollegiate athletics. Such a body could establish uniform national standards that address longstanding structural challenges while withstanding legal scrutiny. These standards should explicitly advance gender equity, ensure a sustainable balance between revenue and non-revenue sports, and preserve the Olympic sports model that remains central to higher education's public mission.

If not a new entity, the NCAA must be given the power to set and enforce a standard set of rules so that everyone involved can either abide by these rules or be subject to strict and harsh penalties.

We don't think anyone will disagree that the NCAA was too slow and, in some cases, derelict relative to the changing landscape of college athletics. Those decisions were made under previous leadership. If given the opportunity to enforce rules without being subject to countless lawsuits, is the NCAA the appropriate governing body? This is a question that must be answered by objective decision makers.

Equally important, a new governance structure should re-center policy on the educational purpose of college athletics. For example, having clearly defined eligibility limits would help protect the traditional 18–23-year-old collegiate experience, while reasonable constraints on transfers would promote academic continuity and graduation rates while reducing the incentives for perpetual roster movement. Together, these reforms would align athletic participation more closely with institutional values and academic outcomes.

We encourage our peers and others to bring forward ideas beyond what is already being contemplated. We all know that change is needed but we are stymied by the process for that change and consensus on the solution. That falls on all of us.

### **Spending Cap and Enforcement**

With the financial challenges facing athletic departments, new revenue alone will not solve the crisis if spending continues to escalate without restraint. College athletics needs what every successful professional sports league already has: a hard and enforceable spending cap. The NFL's salary cap is the model. It ensures competitive balance, prevents any single franchise from spending its way to permanent dominance, and — critically — guarantees that a defined share of revenue flows to players while the remainder supports the broader operations of the league. There are agreed-upon rules and procedures.

We must all agree on a system that reins in the arms race in coaching salaries and transfer-portal bidding wars, protects non-revenue sports from being squeezed out, ensures that revenue sharing with student-athletes is sustainable and predictable, and allows schools of all sizes to compete without bankrupting themselves. Without a hard and enforceable cap, the current trajectory is clear: a small number of programs will spend whatever it takes to dominate, the middle class of college athletics will hollow out, and hundreds of programs will be forced to cut sports, reduce scholarships, and abandon the student-athletes who depend on them.

Let us be clear, an established spending cap is not a cap on student-athlete earnings. It is a cap on what each institution can spend relative to established revenue-sharing guidelines and rules without the current workarounds that in essence all due to competitive dynamics compel the school to subsidize at far greater than the reported revenue share cap. We welcome a true and honest marketplace where student-athletes have the ability to use their fame and notoriety either locally or nationally to increase their value. This is no different than athletes in the other professional leagues. The biggest and most recognizable names earn the most money.

### **LOUISVILLE'S COMMITMENT**

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The University of Louisville is committed to being part of the solution. We will advocate for structural reform that has the potential to create a unified governance structure, a consolidation of media rights while retaining conference viability, mechanisms that provide for responsible spending controls, and most importantly, create the opportunity for the voices of all student-athletes to be heard. We will continue to invest in the academic, athletic and personal development of every Cardinal student-athlete. And we will continue to speak plainly about the stakes: if we fail to act, the enterprise that generates \$1.28 billion a year for the Louisville economy, that provides life-changing opportunities for hundreds of young people, and that binds our community together will be diminished beyond recognition.

The time for incremental tinkering has passed. College athletics needs structural reform, and it needs it now. We are proud to stand with the growing coalition of university leaders, board chairs and advocates who are committed to saving college sports for the next generation.

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## References

- <sup>1</sup> Collegiate Consulting, “Brand Impact & Economic Value Study: University of Louisville Athletics,” commissioned by the University of Louisville, January 2026. Methodologies include advertising value equivalency (AVE), RIMS II economic multipliers (U.S. Bureau of Economic Analysis), and the MR-SAM economic impact model (Lightcast).
- <sup>2</sup> Ohio State University NCAA Membership Financial Report, FY2024 (released January 2025); Eleven Warriors, “Ohio State Athletic Department Hauls In Record \$336.1 Million Revenue in Fiscal Year 2025,” January 2026.
- <sup>3</sup> NJ Advance Media / NJ.com, Keith Sargeant, “Rutgers Athletics Hits Record \$78 Million Deficit,” January 2026.
- <sup>4</sup> Sportico, “Penn State Athletics Debt Hit \$535 Million Amid Stadium Rehab,” Daniel Libit, February 2026.
- <sup>5</sup> Sportico, “Florida State Became College Sports’ Debt King in FY25,” Daniel Libit, February 3, 2026.
- <sup>6</sup> Sportico, “Texas Sets New College Sports Spending Mark with \$376M Spree,” Daniel Libit, January 22, 2026.
- <sup>7</sup> University of Colorado Athletics, “CU Athletics Projects Balanced Budget for FY 2025, Additional Focus on Revenue Generation for FY 2026,” press release, November 26, 2025.




# Champions Blue Brief

*January 15, 2026*



# The Evolving College Athletics Landscape



How new athlete revenue-sharing is causing staggering financial change

How the Big Ten Spent Its Way Into a \$2 Billion Dilemma

Lavish facilities and soaring salaries have left athletic departments desperate for new revenue and now a private capital investment may come to the rescue.

Big 12 prepares for private capital: Why the \$500 million deal suits the conference and its campuses

Each school would have quick access to \$30 million but retain the flexibility to join a super league

UCLA throws its athletic department a \$30-million lifeline, but deficit deepens

THE RISING COST OF COLLEGE FOOTBALL IN THE NIL ERA: WHAT IT MEANS FOR PROGRAMS NATIONWIDE



## THE UK HEADLINE:

**T** Champions Blue Leads the Way in Athletics Excellence

Champions Blue is not merely a response to the evolving landscape, but a **critical opportunity** to continue UK's legacy as a leader in college athletics.

UK has a long history of rising to meet new challenges—from hospital renovations to betting big on housing. Today, Champions Blue continues this tradition of resilience and innovation

# College Athletics is at a Tipping Point

College athletics have reached a tipping point, with expenses climbing at a pace that outstrips revenue growth – challenging the sustainability of traditional models.

## \$19B

Total Division I Athletics Expenses in FY2023 (12% Year-over-year growth)

## \$19B

Total Division I Athletics Revenue in FY2023 (9% Year-over-year growth)

## 36%

Percentage of D1 athletics revenue allocated from institutions or government

## What's Driving This:

### REVENUE SHARE LEGISLATION

In 2025 schools can share up to \$20.5M of revenue. The cap is projected to increase to ~\$33M over the next decade.

### COMPETITIVE CAPITAL SPENDING<sup>(1)</sup>

Over the last 10 years median annual costs for SEC athletics departments for 'facilities, debt service, and equipment' increased on average by 5.5% per year.

### NAME, IMAGE & LIKENESS (NIL)

Athlete NIL opportunities indirectly increase institutional costs through expanded compliance, support services and recruiting pressures.

### COACH COMPENSATION<sup>(1)(2)</sup>

Over the last 10 years median annual costs for SEC athletics departments for 'coaches compensation' increased on average by 6.3% per year.

### GREATER SCHOLARSHIPS AND INCREASED ROSTER SIZES<sup>(3)</sup>

2025-26 UK Cost of Attendance:  
In-State Undergraduate: \$37,604  
Out-of-State Undergraduate: \$59,826

### RISING STUDENT-ATHLETE CARE EXPENSES

Significant increases in care expenses are driven by food costs, medical support and wellbeing services.

# House Settlement | Categories of Revenue

The settlement specifically includes eight (8) categories of revenue brought in by the institution that were used to calculate net revenues and subsequently the payment 'cap' for institutional payments to student-athletes.







## What types of revenue are included in the 'cap?'

<b>Ticket Sales</b>	Revenue received for sales of admissions to athletic events, including public and faculty sales, student sales, shipping & handling fees, and registration fees. This may NOT include sales to non-athletics events (e.g., concerts in athletics facilities), and it may NOT include philanthropic gifts connected to ticket sales, such as those attached to premium seating.
<b>Guarantees</b>	Revenue received from participation in away games, including payments received due to game cancellations.
<b>Media Rights</b>	Revenue received for radio, television, internet, digital, and e-commerce rights, including the portion of conference distributions related to media rights, if applicable.
<b>NCAA Distributions</b>	Revenues received from the NCAA which could include revenue distributions, grants, NCAA championships travel reimbursements and payments received from the NCAA for hosting a championship. Some NCAA distributions may be paid through the conference office.
<b>Conference Distributions (Non-Media and Non-Football Bowl)</b>	Revenues received by conference distribution, excluding portions of distributions relating to media rights (covered above) or NCAA distributions (covered above). <i>Note: Distributions for reimbursement of post-season bowl expenses may NOT be included.</i>
<b>Conference Distributions of Football Bowl-Generated Revenue</b>	Conference distributions of revenue generated by a post-season football bowl to conference members. <i>Note: Distributions for reimbursement of post-season bowl expenses may NOT be included.</i>
<b>Royalties, Licensing, Advertisement and Sponsorships</b>	Revenues from sponsorships, licensing agreements, advertisement, royalties, in-kind products and services as part of a sponsorship agreement.
<b>Athletics Restricted Endowment and Investments Income</b>	Restricted investment and endowment income used for the operations of intercollegiate athletics. <i>Note: Institutional allocations of income from unrestricted endowments qualify as "Direct Institutional Support" and may NOT be included.</i>

# Potential Org Structures & Levels of Transformation

The below outlines structural changes and the level of transformation athletic departments are undertaking to optimize operations and adjust to changes in the college athletics environment.



	<i>NIL &amp; Athlete Compensation Entity</i>	<i>Commercial Assets Entity</i>	<i>Sports Administration &amp; Commercial Assets Entity</i>	<i>Independent Athletics Entity</i>
<i>What Moves</i>	<b>Athlete compensation, NIL payments</b> and related financial management activities	<b>Select commercial assets and related personnel</b> (e.g., media rights, sponsorships and facilities)	<b>Some or all sports programs,</b> and various components (rev, exp, debt) of each sport as well as <b>related commercial rights, property rights and assets</b>	<b>All athletics functions,</b> operations, and commercial assets
<i>What Doesn't</i>	All other athletics programs, personnel, and university functions remain in place	All other athletics programs, personnel, and university functions remain in place	Non-revenue sports, academic services, and compliance functions	University retains oversight through ownership and board governance
<i>Implications</i>	<ul style="list-style-type: none"> <li>Centralizes athlete pay and NIL activity</li> <li>Improves compliance and financial transparency</li> </ul>	<ul style="list-style-type: none"> <li>Creates a nimble vehicle to manage and monetize high-value assets</li> </ul>	<ul style="list-style-type: none"> <li>Focuses resources on revenue-generating sports</li> <li>Maintains broader university integration</li> </ul>	<ul style="list-style-type: none"> <li>Enables full operational independence</li> <li>Requires transformation across all athletic functions</li> </ul>
<i>Examples</i>		  		

# Other Institutions Exploring Innovation

As the college athletics landscape evolves, other institutions are exploring ways to find innovative solutions and new strategies to be more agile, generate incremental revenue and increase program profitability in this new era.



**University of Utah**

- Utah reached a deal with private equity firm Otro Capital to create a for-profit entity called Utah Brands & Entertainment LLC. The deal, along with help from donors, will provide \$500M+ in capital.
- The LLC's goal is to generate more revenue, well as overseeing the revenue-share pay system for student-athletes. Decisions regarding coaching and player personnel will remain with the school.



**University of South Florida**

- USF created Bulls Athletic Properties, a new in-house entity, to be the dedicated platform to lead the department's multimedia rights and business strategy across all programs, facilities, and relationships.
- USF Athletics has partnered with Elevate to support the division's launch. Elevate provides expertise across staffing, structure, and revenue operations for USF Athletics.



**Boise State University**

- Boise State Athletics and the BSU Foundation created BroncoPRO, a stand-alone subsidiary within the BSU Foundation, to serve as a turnkey NIL and revenue-sharing services entity.
- Boise State integrated its on-campus arena's management and ops into its Athletics department to improve event scheduling, maximize facility use, and create incremental revenue opportunities.



**Ohio State University**

- Ohio State and Learfield extended their MMR partnership through 2036, which transitions to a revenue-sharing model and incorporates expanded efforts around NIL opportunities.
- A revenue sharing model with a certain percentage going to Ohio State will be used in the deal.



**Vanderbilt University**

- Vanderbilt established Vanderbilt Enterprises, led by global hospitality expert Markus Schreyer, to activate underutilized assets and monetize the university's footprint through mission-driven ventures.
- This model aims to expand the university's influence and support sustainable growth by building diverse partnerships, tapping into Nashville's ecosystem and making full use of campus facilities.

*Other example institutions with MMR partnerships directly involving student-athletes*



# Champions Blue Opportunities for Growth

The following opportunities form a strong foundation for Champions Blue to capitalize on its new structure and transformation, empowering UK Athletics to enhance performance.

## COMMERCIALIZATION



### Drive revenue through sponsorships, MMR and data monetization

- Expand sponsorship portfolio to increase exposure and unlock new partnerships.
- Optimize MMR agreements to increase market value and broaden broadcast and digital reach.
- Monetize data by developing analytics-driven products and enabling data-informed offerings for partners and sponsors.

## FACILITIES



### Maximize facility revenues with entertainment, events and rentals

- Develop Fan Experience District to create year-round engagement opportunities, attract visitors beyond game days, and generate incremental revenue through dining, retail, and events.
- Leverage stadiums and facilities for hosting events to increase utilization and income.
- Maximize utilization of facilities, fields, courts, and meeting spaces by renting to local organizations and corporate clients.

## PARTNERSHIPS



### Accelerate growth through strategic JVs, PPP and innovative collaborations





- Pursue joint ventures with commercial and community partners to enhance facilities, programming, and fan experience.
- Engage in public-private partnerships to leverage shared resources for infrastructure, events, and innovation.
- Expand partnership portfolio through collaborations with local businesses, corporate sponsors, and other organizations.



# Representative Future Operating Model Options

In summary, each of these representative models have inherent benefits and constraints that will need to be evaluated and considered. Based on these different options, how should Champions Blue’s operating model be constructed?

← **Low Change** **High Change** →

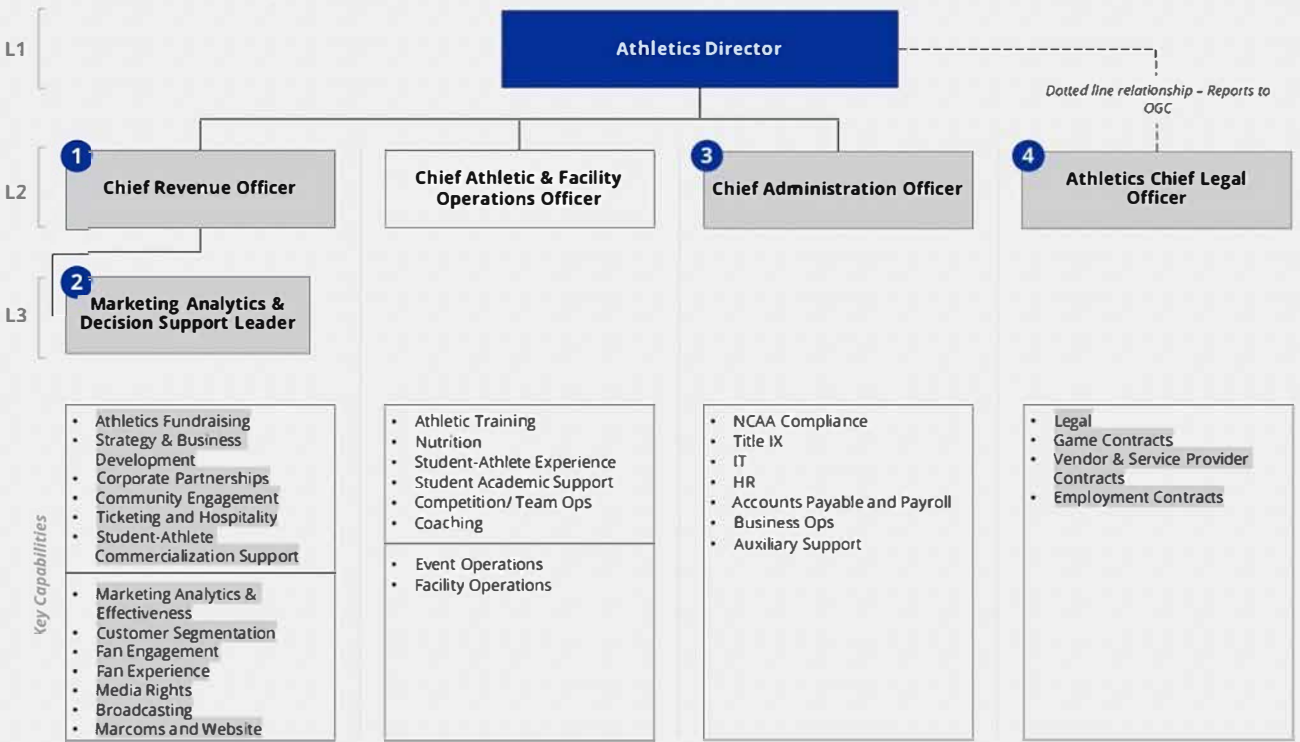
	Option 1: Elevated Operational Capabilities Model	Option 2: Elevated Financial Capabilities Model	Option 3: Enhanced Revenue Generation Model (Dual Model)	Option 4: Enhanced Commercialization & Growth Model (Dual Model)
				
<b>Description</b>	This model depicts a structure that <b>elevates and enhances existing operational capabilities</b> that report to the Athletics Director	This model outlines a structure that <b>enhances financial capabilities</b> through a new fractional CFO role, <b>while also establishing the Chief Player Administration Officer (CPAO) position</b> focusing on contracting and payment administration	This model involves a <b>partnership between a new Chief Commercialization and Growth Officer and Athletics Director</b> as dual leaders of Champions Blue	This model is a similar leadership partnership to Option 3; consolidating <b>end-to-end financial responsibilities</b> with the Chief Commercialization and Growth Officer and alignment of a <b>CPAO under this role focused on commercial support and deal making for student-athletes</b>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Minimizes disruption</li> <li>Elevates functions critical to Champions Blue’s success</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced financial rigor</li> <li>Increased support for the AD and coaches with contract and payment administration</li> </ul>	<ul style="list-style-type: none"> <li>Establishes dedicated leadership roles for internal and external operations</li> <li>Elevates focus on revenue generation capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Designates leadership to focus on both internal and external operations</li> <li>Centralizes end-to-end financial responsibilities for revenue generation, revenue, and efficiency under a single leader</li> </ul>
<b>Constraints</b>	<ul style="list-style-type: none"> <li>Doesn’t support development of the financial capabilities needed</li> <li>Roles are not focused on the emerging needs required to adapt to the changing landscape</li> </ul>	<ul style="list-style-type: none"> <li>Increases AD responsibilities to oversee revenue growth and athletic operations</li> <li>Limits the dedicated focus needed for both athletics operations and revenue growth</li> </ul>	<ul style="list-style-type: none"> <li>Alters leadership ways of working</li> <li>Fragments commercial and financial activities</li> </ul>	<ul style="list-style-type: none"> <li>Transforms leadership ways of working</li> <li>Substantially increases degree of change throughout UK Athletics</li> </ul>

**An interim or hybrid solution can be implemented for 7/01, with a plan to transition to a more permanent structure as personnel evolves**

\*Roles/titles shown are representative to facilitate discussion and will need to be appropriately leveled/titled in conjunction with UK/UK Athletics leadership and HR

# Option 1: Elevated Operational Capabilities Model

This option depicts a structure that elevates and enhances existing operational capabilities, formalizes each function, and provides clear delineation of responsibilities.



Key  
Enhanced and New Capabilities

Change from Current State

- ### Key Changes from Current State
- The capabilities under the Chief Revenue Officer are formalized and evolved
  - Marketing Analytics and Decision Support Leader is a new role and will report to the Chief Revenue Officer
  - Existing administrative capabilities are centralized under the Chief Administration Officer
  - New Athletics Chief Legal Officer reports into University OGC and dotted line to Athletics Director

Key Capabilities

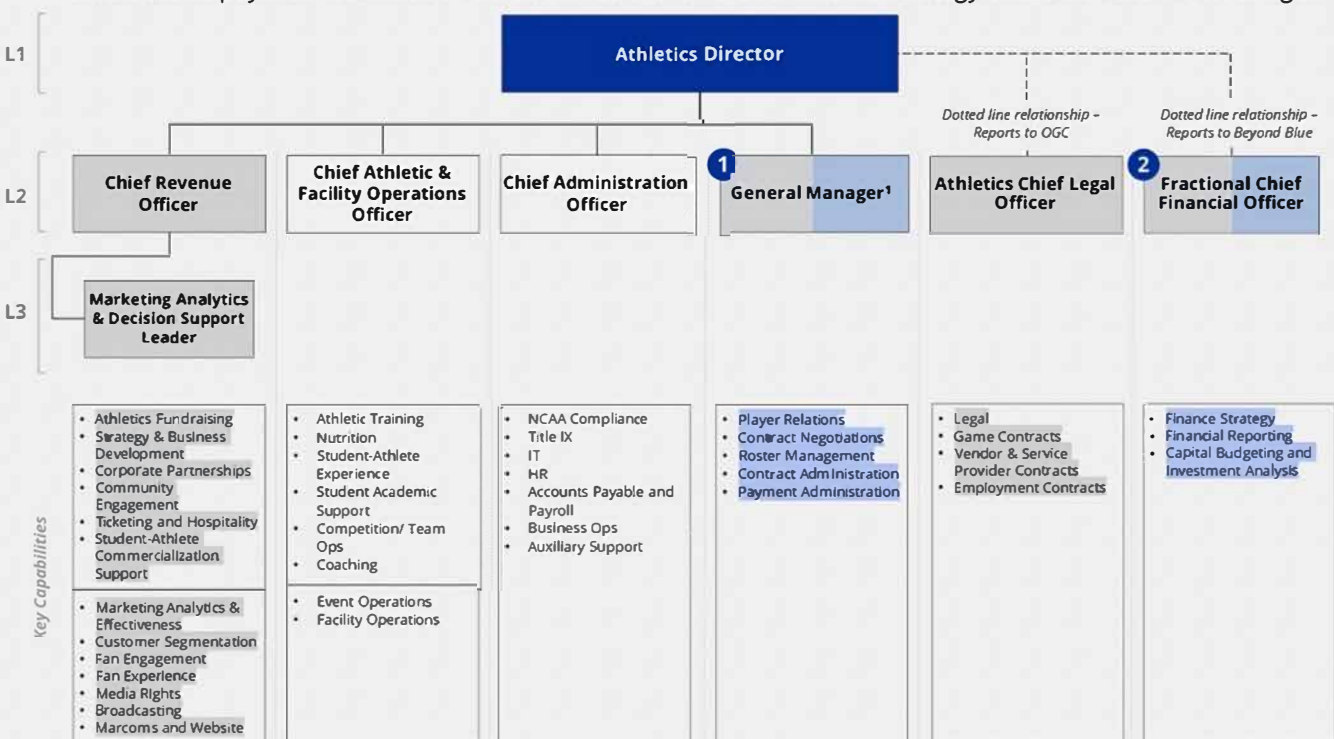
\*Roles/titles shown are representative to facilitate discussion and will need to be appropriately leveled/titled in conjunction with UK/UK Athletics leadership and HR



PROJECT CHAMPIONS BLUE

# Option 2: Elevated Financial Capabilities Model

This option retains the enhanced operational capabilities and introduces a General Manager role to support the AD and coaches with contract and payment administration, as well as a CFO role for finance strategy and enhanced financial rigor.



Key

Enhanced and New Capabilities	Change From Previous
Change from Current State	Change from Previous

**Key Changes From Previous**

- General Manager (GM)** is a new role with net-new capabilities and will report into Athletics Director. This is your **on-field GM** focused on **contracting, negotiations, and payment administration**. Partners closely with the Chief Athletics and Facility Ops Officer
- New Fractional CFO** role for Athletics; reports into Beyond Blue and dotted line to Athletics Director

1: Refer to the appendix for details on the varying roles of a General Manager. The roles and responsibilities vary across each option.

\*Roles/titles shown are representative to facilitate discussion and will need to be appropriately leveled/titled in conjunction with UK/UK Athletics leadership and HR

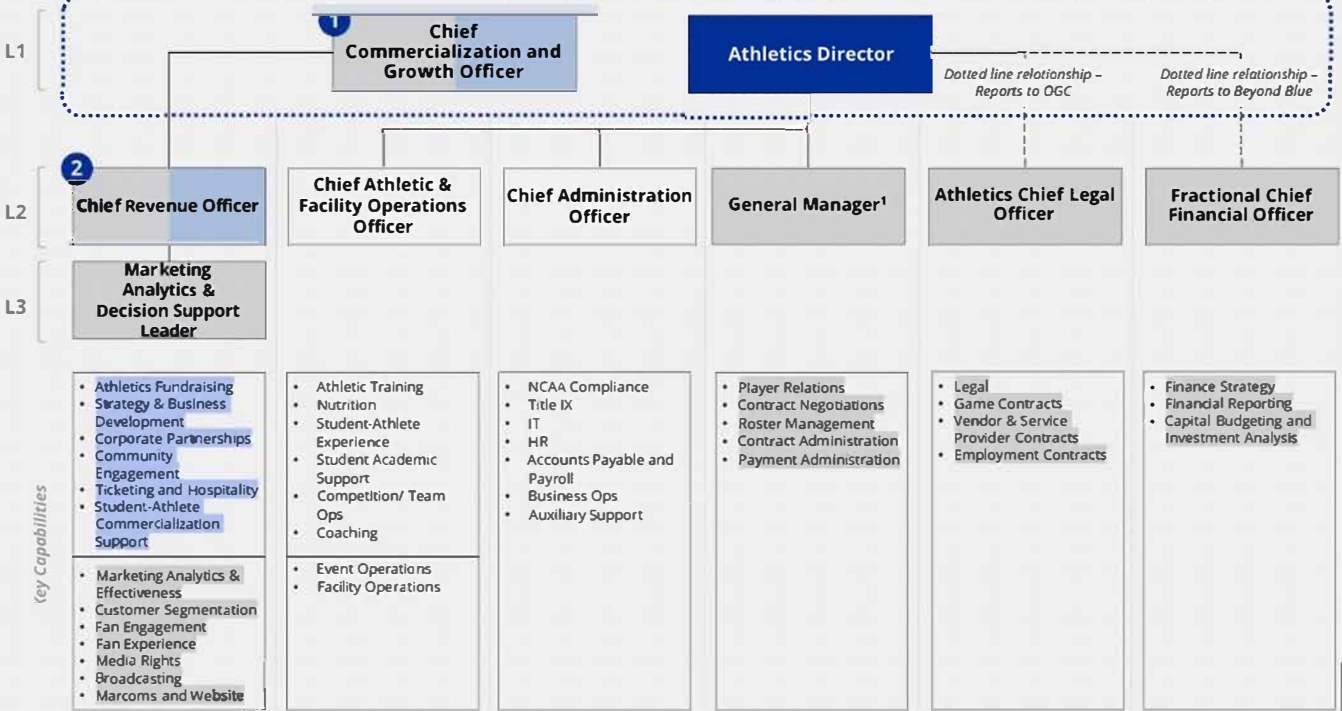


PROJECT CHAMPIONS BLUE

# Option 3: Enhanced Revenue Generation Model (Dual Model)

This option introduces a Chief Commercialization and Growth Officer to a dual leadership role with the Athletics Director, facilitating separate leadership roles for revenue generation and growth and athletics operations and competition.

**Dual UK Athletics Leadership**



Key

Enhanced and New Capabilities	Change From Previous
Change from Current State	Change from Previous

**Key Changes From Previous**

- The Chief Commercialization & Growth Officer is a peering role with the Athletics Director, responsible for all revenue operations
- Chief Revenue Officer reports to Chief Commercialization and Growth Officer

1: Refer to the appendix for details on the varying roles of a General Manager. The roles and responsibilities vary across each option.

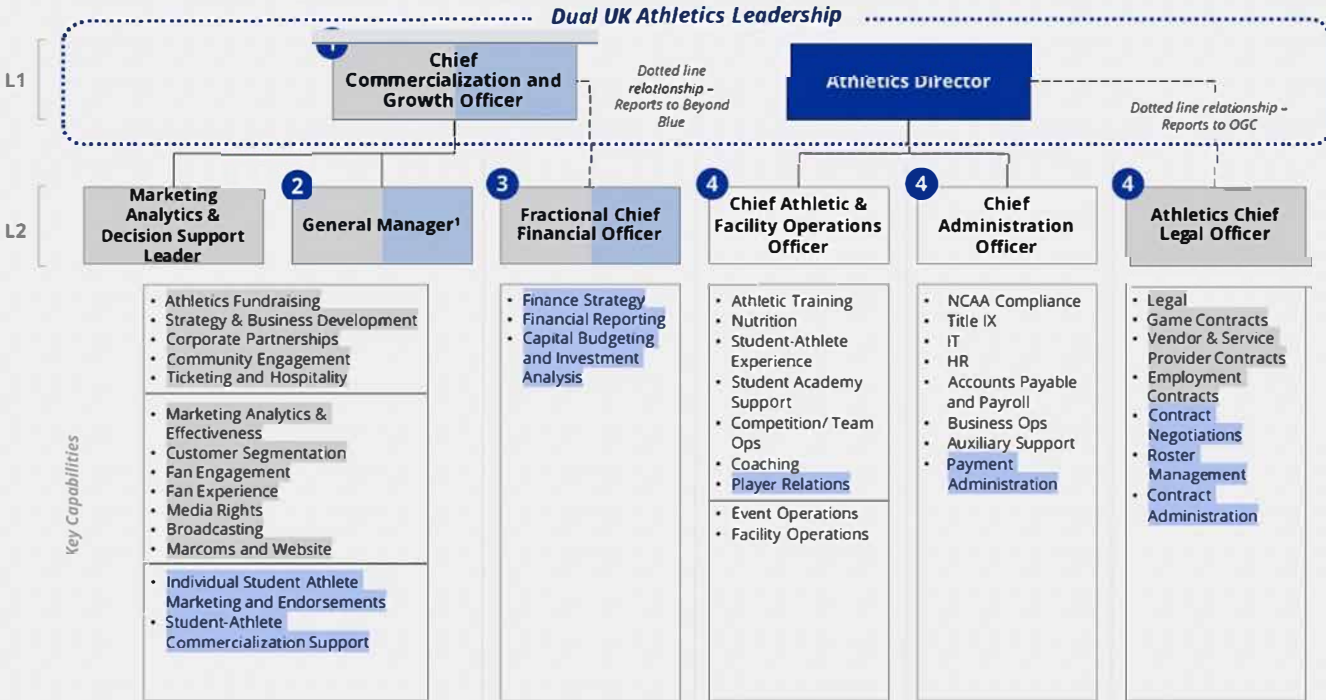
\*Roles/titles are representative to facilitate discussion and need to be appropriately leveled/titled in conjunction with UK/UK Athletics leadership and HR



# Option 4: Enhanced Commercialization & Growth Model (Dual Model)

This option expands on the dual leadership role concept, with the Chief Commercialization Officer also overseeing the GM and the fractional CFO to align all financial responsibilities under a single leader.

## Dual UK Athletics Leadership



Key	
Enhanced and New Capabilities	Change From Previous
Change from Current State	Change from Previous

### Key Changes From Previous

- 1 The Chief Commercialization & Growth Officer is a peering role with the Athletics Director, with additional responsibilities and is responsible for all commercial operations
- 2 The General Manager role and capabilities are folded into the Chief Commercialization and Growth Officer role. This is your off-field GM focused on commercial support and deal making for student-athletes.
- 3 New Fractional CFO role for Athletics; reports into Beyond Blue and dotted line to Chief Commercialization and Growth Officer
- 4 With the change in the General Manager's capabilities, the Chief Athletic & Facility Ops. Officer assumes responsibility for player relations. The Chief Admin. Officer focuses on payment administration and the Athletics Chief Legal Officer assumes end-to-end contracting ownership

1: Refer to the appendix for details on the varying roles of a General Manager. The roles and responsibilities vary across each option.