

Focus | Entertainment, Art & Sports Law

Mind the Cap: NCAA Restrictions and the Future of College Sports

BY YAMAN DESAI
AND DANIELA VERA HOLMES

In June 2025, the National Collegiate Athletic Association (NCAA) finalized a landmark settlement with athletes that dramatically changed the landscape of college sports. In *House v. NCAA*, the NCAA for the first time agreed to allow its member institutions to pay direct compensation to athletes, tied to a hard salary cap and restrictions on pay-for-play above and beyond the cap. Nevertheless, loosening the knot still came with strings attached. Overall, athlete pay was limited to a percentage of average institution revenue, capped at 22 percent—approximately \$20.5 million—for the 2025-2026 academic year. And while individual Name, Image, and Likeness (NIL) deals are still permitted, they are required to be true marketing deals, not end runs around “pay-for-play” prohibitions.

To enforce these restrictions, the NCAA created the College Sports Commission (CSC), charged with vetting NIL deals. To do so, the CSC set up “NIL Go,” a clearinghouse tasked with verifying that NIL contracts are both for a “valid business purpose” and within a “reasonable range of compensation” for the services provided. For appeals of contract determinations, the CSC established an arbitration system with due process protections.

To lead the CSC, the NCAA hired a former federal prosecutor with years of investigative experience, Bryan Seeley, who had spent over a decade with Major

League Baseball, including as head of the league’s investigations department. Before that, the Harvard Law graduate was an Assistant U.S. Attorney in Washington D.C., prosecuting federal white-collar fraud and corruption cases. The CSC also hired another former federal prosecutor, Katie Medearis, as its Head of Investigations.

The CSC quickly put its wheels in motion, establishing limitations on NIL deals by collectives (university-affiliated third-party organizations previously used to pay athletes). It also moved to bolster its own power, asking universities to agree to a memorandum that prohibited Article III court challenges of CSC determinations by schools and athletes, mandated cooperation with CSC investigations by school officials and boosters, and discouraged school cooperation with any future legal challenges to the CSC by state attorneys general.

But the pushback was just as swift. The CSC was forced to walk back its curtailment of collectives. It faced political blowback from state officials who viewed the CSC as impeding its sovereign authority. And schools declined to sign on to the CSC’s memorandum, leaving the CSC with many of the same enforcement problems that have plagued the NCAA for years.

Instead of agreeing to the stricter enforcement mechanisms, schools appear to be spurning the rules altogether. There is no better example than Louisiana State University. In the hunt for a new head coach and eager to entice top target Lane Kiffin, LSU reportedly

offered not only a nearly \$100 million contract, but a guaranteed \$25 million roster as well. That football roster budget alone exceeds LSU’s total revenue sharing pool across all sports.

Exceeding the cap means relying on third-party NIL deals. For example, LSU reportedly offered transfer quarterback Brendan Sorsby a \$4.5 million compensation package buoyed by \$3.5 million from a third party in exchange for a loosely defined “marketing guarantee.”

While the LSU-Sorsby deal was never consummated, many others have been. Desperate to fill out their rosters and compete for championships, schools across the nation are offering athletes multi-million-dollar contracts. And the top teams in the sport are amassing rosters approaching \$40 million.

These massive deals beg the question: Will the CSC enforce the rules and void these contracts? It is still too early to draw any conclusions, as executed third-party NIL deals will not be submitted to the CSC for clearance until this spring. But the brazen conduct manifested in these deals suggests that the schools, players, and agents do not think the CSC will take action.

The CSC, however, is signaling otherwise. On January 9, 2026, the CSC issued guidance expressing “serious concerns” about publicly reported “third-party NIL deals that likely do

not comport with the rules arising from the *House* settlement.”

Whether the CSC will follow through and refuse to clear those deals remains to be seen. Recent history suggests the NCAA has little appetite or ability to meaningfully enforce restrictions. An inquiry the CSC opened this January into LSU NIL deals (reportedly unrelated to football) was closed with little fanfare and no repercussions. And if the CSC does void NIL deals it deems lacking a “valid business purpose” or outside of the “reasonable range of compensation,” it could be inviting further antitrust scrutiny from courts that have already been skeptical of the NCAA model.

This first college football off-season since the CSC’s formation poses a pivotal challenge to the nascent organization. With TV ratings (and resulting TV revenue) at all-time highs and player mobility ever increasing, schools are hungry to spend big and test limits. The disregard for CSC regulations poses the question of whether pay-for-play is the de facto rule, or whether player compensation restrictions exist. How the CSC ultimately responds will significantly shape the future of college athletics. **HN**

Yaman Desai is a Partner and Daniela Vera Holmes is Of Counsel with Lynn Pinker Hurst & Schwegmann. They can be reached at ydesai@lynnlp.com and dholmes@lynnlp.com, respectively.



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