Senate Passes Biggest College Sports Bill in History: What It Means for Your Institution

Oct 15, 2026

Categories:

Publications

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The U.S. Senate passed the Protect College Sports Act (S. 4668) by a 77-22 vote on Sept. 28, 2026. If enacted, the bill would give the NCAA a limited antitrust exemption, raise the potential athlete-compensation ceiling to approximately $50 million per school, preempt certain state laws governing name, image, and likeness (NIL) rights, and create new private litigation exposure. The bill is not yet law. It must still pass the House and be signed by the president.

How We Got Here

Broadcast rights soared into the billions while NCAA rules barred athletes from sharing in that revenue. Over the past decade, athletes challenged those restrictions through lawsuits and settlements, and states passed NIL laws. Conflicts among those laws and NCAA rules left institutions navigating a complicated patchwork.

The U.S. Supreme Court accelerated the shift in 2021, holding 9-0 that certain NCAA compensation restrictions on education-related benefits violated antitrust law. By June 2025, a landmark settlement opened direct revenue sharing at roughly $21.6 million per athletic department annually. *House v. Nat'l Collegiate Athletic Ass'n*, No. 4:20-cv-03919 (N.D. Cal. June 6, 2025) (order granting final approval of the House settlement). But booster-funded compensation and uneven state regulation left the landscape unsettled.

The bipartisan bill, co-authored by U.S. Senators Maria Cantwell, D-Wash., and Ted Cruz, R-Texas, seeks to address issues the NCAA and conferences have spent years pressing Congress to resolve.

Key Provisions

A Limited Antitrust Exemption

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The bill would give the NCAA, conferences, and institutions limited antitrust protections to adopt and enforce rules on compensation, eligibility, transfers, recruiting, agent registration, and midseason coaching moves. Those protections would extend to enforcement actions, including fines, championship restrictions, and eligibility penalties, without the antitrust counterclaims that have been a primary defense tool for a decade.

The exemption would have two important limits. It would cover only the categories listed in the bill, leaving other conduct potentially exposed to antitrust claims. It also would not take effect until the NCAA completes implementing rulemaking, creating uncertainty during the transition.

A Higher but Conditional Compensation Ceiling

The bill would federalize the existing settlement-derived cap — the same ceiling institutions already operate under through the House settlement — and layer two new supplements on top. The retention fund would apply only to athletes who have completed a full competitive season at the institution, not incoming recruits or transfer prospects, as illustrated below.

Layer	Amount	Key Conditio
Base cap	Approximately $21.6 million per year (House settlement)	Lapses if sett approval
Retention fund	Up to $22.5 million per year	For existing p benchmarks
Non-revenue supplement	Up to $5 million per year	Proportional women's spo
Reported aggregate	Approximately $50 million per year	Sum of the ab

Notably, the retention fund is conditional: institutions that fail to meet uniform graduation-rate and academic-progress benchmarks — still unwritten — lose the extra money. Also, if the settlement (which sets the base cap) expires or terminates and Congress does not enact a joint resolution of approval within the 30-day congressional approval period, both the cap and the retention fund would lapse. Even if Congress approves continuation, the retention fund would remain available only if the joint resolution expressly

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provides for it.

A separate source-of-funds rule would apply to coaching compensation above $500,000 at institutions with more than $80 million in annual athletics revenue.

State-Law Preemption

The bill would preempt conflicting state laws governing NIL, transfers, and eligibility. Civil rights, tort, criminal, privacy and data breach, contract, trademark, copyright, and consumer protection laws generally would remain in effect unless they conflict with the preemption provision. Claims involving personal injury, sexual misconduct, fraud, and abuse also would remain available, including claims for injury resulting from an institution's failure to provide protections beyond the federal health, wellness, and safety floor.

Transfers and Eligibility Limitations

The bill would limit athletes to one transfer between four-year institutions without a loss of eligibility. A second transfer would result in ineligibility for the following academic year, with exceptions for a discontinued sport, a departing head coach, sexual assault or harassment, and graduate study. Eligibility would generally extend five years, with exceptions for pregnancy, religious missions, military service, and association rules, which may include serious injury or a medical condition. Associations also could prohibit recruiting contact with athletes who have not affirmatively opted in, requiring institutions to track consent.

New Litigation Exposure and a Cure Period

The bill would create a private right of action covering NIL protections, health and safety, medical coverage, scholarship terms, and other requirements. It also would bar pre-dispute arbitration agreements in athlete agreements and make pre-dispute joint-action waivers involving seven or more named plaintiffs unenforceable against intercollegiate athletic associations or conferences.

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The bill also would provide a 30-day notice-and-cure period. A plaintiff would have to give 30 days' written notice before filing suit. If the defendant cures the violation and certifies the correction in writing, the suit would be barred, except for claims involving physical injury, death, or sexual misconduct. Whistleblower protections for employees, athletes, contractors, and agents could not be waived or forced into arbitration.

Health and Injury Compliance

Within 270 days of enactment, institutions would have to adopt five specified health and safety protocols, appoint an independent health officer reporting outside the athletic department, and give medical personnel independent authority over return-to-play decisions. Medical coverage would extend five years after an athlete's eligibility ends, creating an ongoing obligation. Annual NIL disclosures would be due July 1, and program-level financial and academic reports would be due within 60 days after each academic year.

Vendor certification procedures also would be required for NIL deals involving sponsors, apparel companies, or multimedia rights holders.

Outside Funds for Athletics

The bill regulates booster money through two defined terms. A "collective" is any person, corporation, booster organization, or tax-exempt entity providing donations or support, directly or indirectly, to or for the benefit of a current or prospective athlete or the athletics program — excluding an athlete's immediate family and excluding trademark licensees that neither license athlete NIL rights nor earmark payments to athletes.

An "associated entity" is broader. It includes collectives, their members, employees, directors, officers, owners, and agents; anyone the athletics department knew or should have known exists in significant part to support the program or create athlete NIL opportunities; anyone who has given more than $50,000 over their lifetime to the institution or a collective, aggregated across affiliates

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and family members; anyone who helped or was asked to help recruit or retain athletes; and affiliates of any of the foregoing, other than public companies.

Associated entities would be prohibited from directly or indirectly arranging, providing, offering, or permitting compensation ***that circumvents the revenue-sharing cap***, or entering NIL agreements ***that lack a valid business purpose or exceed what third parties pay comparable non-athletes***. In other words, collectives would not be prohibited outright, but their payments would need a genuine commercial purpose and a market-based price. Division I athletes would have to report deals or payments above $600 to the institution and association within five days of signing, and within 30 days of receiving compensation not previously reported.

What Happens Next

The bill is not law. The House is out of session ahead of the midterm elections, and no votes are expected before Nov. 3.

If signed, state-law preemption, the private right of action, and whistleblower protections would take effect upon enactment. Health and safety standards would be due within 270 days, and NIL disclosures would be due the following July 1.

How FBT Gibbons Can Help

- **Understanding the proposed rules.** FBT Gibbons can help athletic directors, general counsel, and boards assess how the bill could affect compensation, institutional decisions, and compliance.
- **Preparing for new requirements.** The bill would introduce requirements involving an independent health and safety officer, medical autonomy, five safety protocols, post-eligibility coverage, reporting, athlete disclosures, and vendor certification. FBT Gibbons can help identify gaps and prepare for compliance.
- **Reviewing agreements.** Athlete participation agreements, coaching agreements, and sponsorship, apparel, and

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multimedia rights deals may need to be reviewed and updated if the bill becomes law.

- **Navigating disputes across different frameworks.** Conduct predating the House settlement, disputes arising under it, and claims under the proposed act could be governed by different rules and resolved in different forums — some in court, some through the settlement's own dispute procedure, and some through association enforcement. FBT Gibbons has represented clients before and after the House settlement and can advise institutions on potential disputes.

For questions about how the bill could affect your institution, please contact the authors or any attorney with FBT Gibbons' Sports and Entertainment practice.

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