



# What Should Your Athletic Department Know About Trump's New NIL Executive Order Attacking “Pay for Play” Deals? 3 Steps For Universities

Insights

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In yet another sweeping move impacting college athletics, President Trump just signed an Executive Order seeking to ban “third-party, pay-for-play payments to collegiate athletes,” while still allowing athletes to enter into Name, Image, and Likeness (NIL) deals. The July 24 “Saving College Athletics” Executive Order delegates authority to several federal agencies to help establish a more consistent regulatory framework, and also seems to push regulators to prevent student-athletes from being classified as employees. What does your athletic department need to know about yet another landmark change to the governance of college athletics?

## Why Did the President Get Involved in College Athletics?

The President’s involvement stems primarily from the growing complexities surrounding NIL rights for student-athletes, and a lack of Congressional action on nationwide standards. Since 2021, numerous states have enacted their own NIL laws, allowing college athletes to earn compensation in various forms. These laws are often drafted to give schools within that state a competitive advantage in recruiting and retaining athletes. The result has been a fragmented legal landscape, with inconsistent and conflicting rules that impact student-athletes, institutions, and athletic departments across the country.

Although members of Congress from both parties have introduced legislation aimed at creating national standards, none of these efforts have been enacted into law. As legislative gridlock continues, stakeholders have increasingly turned to the executive branch for clarity and support. Many groups have spent considerable time both at the White House and on Capitol Hill to advocate for uniform national rules, citing the urgent need for consistency and student-athlete protections.

## What Does the Executive Order Say?

The Executive Order begins by acknowledging the current challenges in college athletics, including the impact of state-by-state NIL laws, the importance of college sports in building life skills, and the unique role collegiate athletics plays in supporting U.S. Olympic teams. It expresses the federal government’s interest in helping stabilize and preserve the landscape.

To that end, the Order delegates authority to various federal agencies and officials to take the following actions:

- **Reining in Pay-for-Play Payments** – The Executive Order takes direct aim at pay-for-play deals. While the White House acknowledges that student-athletes should be able to enter into legitimate NIL arrangements, it says that “pay-for-play” deals are “improper and should not be permitted by universities.” It says that any NIL deals that offer a “fair market value” for endorsements or other legitimate purposes are permissible. It calls for a coordinated federal plan to enforce these standards through regulatory, enforcement, and funding mechanisms, including Title IX compliance and constitutional protections.
- **Clarifying Employment Status** – The Order directs the Secretary of Labor and the National Labor Relations Board to clarify the status of student-athletes in Order to preserve non-revenue sports and the irreplaceable educational and developmental opportunities that college sports provide. This would seem to indicate that the White House does not want student-athletes to be classified as employees.
- **Protecting Women’s and Non-Revenue Sports** – The Order directs the Secretary of Education to “protect and expand” women’s and non-revenue collegiate sports.
  - Under the directive, athletic departments generating over \$125 million in revenue during the 2024–2025 season are expected to maintain or increase scholarships and maximize roster spots for non-revenue sports in future seasons.
  - Departments at or above \$50 million in revenue are directed to provide a least as many scholarships as they did in 2024-2025.
  - Those athletic departments below \$50 million in revenue are cautioned not to reduce opportunities based on a sport’s revenue potential.
- **Uniform Rules** – The Attorney General and the Federal Trade Commission are directed to stabilize and preserve college athletics. Their responsibilities include establishing rules to protect the rights and interests of student-athletes, setting standards for athlete protections, and promoting uniformity between federal and state laws governing NIL compensation.
- **Olympic Support** – The Assistant to the President for Domestic Policy and the Director of the White House Office of Public Engagement must coordinate with the U.S. Olympic teams and other relevant entities to ensure that federal policies support the continued development of Olympic competitors through college athletics – particularly in light of the upcoming 2028 Summer Olympic Games in Los Angeles.

## What’s Next?

The Executive Order doesn’t change anything for universities immediately. Instead, it directs top agency heads to develop a plan within 30 days to push the Order’s goals using “all available and appropriate regulatory, enforcement, and litigation mechanisms.” Stay tuned for action from the

various federal agencies named, but the chances of meaningful litigation emerging from Congress in such a short timespan seem low.

### **What are Three Key Steps Athletic Departments Should Take Next?**

Now that it is clear that these issues are on the radar screen for the Trump administration, universities should ensure their athletic departments consider preparing for possible changes. Here are three changes to consider.

#### ***Prioritize and Expand Non-Revenue and Women's Sports.***

Athletic departments should consider finding ways to maintain or increase non-revenue and women's sports based on their revenue. While the enforceability of the Executive Order's directives on this subject will likely be subject to challenge, colleges and universities should be prepared for more federal oversight.

#### ***Ensure Compliance with Evolving State and Federal Regulations.***

With shifting state NIL laws and a federal push for uniform rules, athletic departments should stay on top of legal updates and adjust policies as needed. This means aligning with current laws, offering clear guidance to student-athletes and staff, and working with legal experts to prepare for changes.

#### ***Strengthen Support for Olympic Sports and Student-Athlete Development.***

In line with the Executive Order's focus on preserving Olympic pathways, athletic departments should continue to find ways to invest in Olympic sports programs. With the 2028 Olympics fast approaching, institutions play a vital role in developing elite athletes and should work closely with national governing bodies and the U.S. Olympic & Paralympic Committee to ensure college athletics continues to serve as a pipeline for Team USA.

### **Conclusion**

For questions regarding NIL and college athletics, feel free to reach out to your Fisher Phillips attorney, the authors of the Insight, another member of our [Sports Industry Group](#), or any member of the [Higher Ed Team](#). We'll continue to monitor the status of developing NIL and college athletics legislation and will provide updates as warranted, so make sure you are signed up for [Fisher Phillips' Insight service](#).

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