

NCAA PRIZE MONEY SETTLEMENT: WHAT K-12 AND HIGHER ED LEADERS NEED TO KNOW

Insights
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Student-athletes will no longer have caps on the amount of prize money they can earn prior to college enrollment under a new settlement signed by the NCAA. The agreement to resolve litigation in *Brantmeier v. NCAA* permits prospective student-athletes to retain unlimited pre-enrollment prize money, marking another significant shift in the evolving landscape of amateurism and athlete compensation. The agreement reflects the continued dismantling of amateurism restrictions following recent name, image, and likeness (NIL) reforms, litigation, and expanding judicial skepticism toward NCAA compensation limitations. This Insight will cover the settlement's implications, and how it may reshape how institutions approach recruiting, eligibility, and other student-athlete pathways.

Previous State of Play

Historically, the NCAA's rules on pre-enrollment prize money generally prohibited prospective student-athletes from receiving compensation for athletic performance. Prize money typically included any compensation awarded solely based on competitive success, such as performance or placement in athletic competition. Bylaws stated that a prospective student-athlete could lose eligibility if they "used athletics skill for pay" or accepted prize money beyond limited exceptions. By contrast, the NCAA distinguished "actual and necessary expenses," like

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transportation, lodging, registration fees, and coaching expenses, from prize money. These benefits are intended to allow an athlete to participate in an event, rather than compensating them for winning.

A long-standing exception existed in tennis, where prospective student-athletes were permitted to retain up to \$10,000 per year in prize money earned from competition **prior** to full-time college enrollment. Once that cap was reached, additional winnings could only be used to offset competition-related expenses.

The Underlying Case – *Brantmeier v. NCAA*

The case, originally filed on March 18, 2024, by tennis players Reese Brantmeier and Maya Joint, challenged conference rules that restrict athletes from retaining prize money earned prior to enrollment as a condition of maintaining NCAA eligibility. The plaintiffs argued that limitations on pre-enrollment prize money operate as an unlawful restraint on competition by preventing athletes from accepting compensation that is otherwise available to them in the open market. The plaintiffs further contended that the rules penalize athletes who compete in increasingly professionalized junior tennis circuits, where prize money is often necessary to offset training and travel costs.

The complaint emphasized tension between the prize money restrictions and the NCAA's evolving approach to athlete compensation NIL reforms, as well as recent antitrust developments that have narrowed the scope of permissible NCAA amateurism rules.

The Settlement: Terms and Future Impact

In resolving the case, the NCAA agreed to eliminate restrictions on athletes accepting prize money **before** initial full-time collegiate enrollment. The change effectively allows prospective student-athletes to compete professionally and retain substantial earnings prior to enrolling in college, while preserving their NCAA eligibility. Although the settlement arose in the context of junior tennis, the policy change applies broadly across NCAA sports, particularly Olympic and individual sports, where athletes frequently participate in competitions that offer prize money.

Following this ruling, high school athletes may now:



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- retain prize earnings without jeopardizing NCAA eligibility;
- opt to delay enrollment to pursue developmental or financial opportunities; and
- enter college athletics with significant commercial experience and existing endorsement relationships.

Overall, the decision signals a broader trend toward recognizing pre-enrollment athletic earnings as distinct from impermissible pay-for-play compensation.

What K–12 Institutions Need to Know

K–12 schools and athletic associations should anticipate increased overlap between interscholastic athletics and professionalized youth sports systems following the decision. School leaders should also be mindful that disparities may emerge between athletes with access to elite developmental opportunities and those participating solely in traditional interscholastic athletics. Compliance offices, athletic administrators, and college advisors may face increased questions regarding recruiting exposure events, prize competitions, and participation in professional circuits prior to graduation.

Schools may need to reevaluate:

- eligibility rules governing outside competition;
- disclosure requirements related to endorsements or prize earnings;
- relationships with club teams, academies, and international competition structures; and
- counseling and education provided to student-athletes and their guardians regarding NCAA eligibility and NIL implications.

What Colleges and Universities Need to Know

For colleges and universities, the settlement creates new recruiting and compliance considerations. Institutions should expect:

- prospective student-athletes arriving with substantial prior earnings or professional competition experience;

- increased scrutiny regarding distinctions between permissible pre-enrollment compensation and impermissible inducements; and
- expanded NIL and financial disclosure considerations during recruitment.

Brace for further impact: The NCAA's prize-money settlement is also another indication that courts and litigants will continue to test the boundaries of collegiate athletics' remaining amateurism framework.

Conclusion

Rules governing collegiate athletics are constantly shifting. To stay up to date concerning legal developments in this space, please feel free to reach out to your Fisher Phillips attorney, the authors of this Insight, or any member of our [Sports Industry Group](#) or [Education Practice Group](#) with any questions. We will continue to monitor the landscape and will provide updates as warranted, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox.