Approved by the Board of Trustees

March 20, 2025

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Board Meeting

March 20, 2025

# DELEGATE AUTHORITY TO ESTABLISH AND APPROVE STUDENT-ATHLETE NAME, IMAGE, LIKENESS POLICIES

**Action:** Delegate Authority to Establish and Approve Student-Athlete Name, Image, Likeness Policies

**Funding:** No New Funding Required

The purpose of this item is to authorize the development of policies related to student-athlete name, image, and likeness (NIL) activities at each of the three universities. This action does not require the creation of any such policies but rather sets forth the Board of Trustees’ authorization of and expectations related to NIL activities.

As has been reported publicly, collegiate athletics nationwide is experiencing dramatic changes, including legislation passed by the State of Illinois related to NIL. In July 2021, the Student-Athlete Endorsement Rights Act (Act) was enacted in Illinois (110 ILCS 190/). Initially, the Act permitted student-athletes to enter into NIL agreements by stating that universities were prohibited from preventing a student-athlete of that institution from earning compensation as a result of the use of the student-athlete’s name, image, likeness, or voice. However, the 2021 enactment did not permit colleges and universities to facilitate, manage, or enter directly into NIL agreements regarding student-athletes. These restrictions were removed and, effective in January 2025, the Act was amended to permit a postsecondary educational institution to (1) enter into, or offer to enter into, a publicity rights agreement with a prospective or current student-athlete; or (2) provide a prospective or current student-athlete or the student-athlete’s family compensation in relation to the use of the student-athlete’s name, image, likeness, or voice, if allowed by a policy of a postsecondary educational institution, among other ways.

This State of Illinois law operates independently from, but is consistent with, settlement agreements in nationwide class action lawsuits related to NIL. Recognizing varying state laws around the country and in anticipation of imminent settlement in pending class action litigation, the NCAA and member institutions are rapidly preparing to implement a new model for the future of college sports focused on stability and fairness. This will likely include the creation of a national enforcement mechanism to establish and regulate uniform annual maximum aggregate expenditure limitations (generally referred to as the “Pool”).

Because the Act and the proposed settlement contemplate institutional payments directly to student-athletes, various institutional policies need to be created or amended to conform with legal requirements, safeguard institutional integrity, and facilitate integration of NIL practices into current operations. For example, student-athlete NIL rights expenditures were not considered in prior Board actions relating to delegated expenditure authorizations and should not be included in procurement reports or similar actions.

Therefore, the Board grants to each chancellor/vice president the authority to establish, if they so choose, and subject to approval by the Office of the President or designee, a policy related to student-athlete NIL activities that authorizes the management and execution of publicity rights agreements with student-athletes and prospective student-athletes, consistent with applicable State and federal law, court order, settlement agreement, and applicable rules and regulations by an association, conference, or other group or organization with authority over athletics operations, notwithstanding any other potentially applicable university policy or procedure. It is the Board’s expectation that any such expenditures will be funded solely by revenues realized by athletics activities and shall not be funded by State appropriations or tuition. The policies should allow the respective directors of intercollegiate athletics, directly or through approved third parties, to enter into publicity rights agreements between the university and student-athletes. Each policy should contemplate: (1) appropriate oversight from the Office of the Chancellor, (2) semi-annual reporting of aggregate expenditures to the Office of the President or designee, and (3) annual reporting of the established Pool amount for the ensuing fiscal year and aggregate actual expenditures for the prior fiscal year to the Board of Trustees at the conclusion of each fiscal year. Each university should cooperate with the vice president/chief financial officer and comptroller of the University of Illinois System to facilitate payment mechanisms in accordance with applicable audit controls and alignment with Board of Trustees policies on expenditures, with an express understanding that individual publicity rights agreements between the universities and student-athletes are not subject to existing contract approval dollar limitations expressed in prior Board actions.

All three universities must remain committed to maintaining the highest standards of compliance in the operation of its intercollegiate athletics programs, including, but not limited to, adhering to the rules governing NIL activities. Therefore, the policies and all activities related thereto should demonstrate the institution’s unwavering commitment to integrity and regulatory compliance.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The president of the University of Illinois System recommends approval.