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Ohio Institutions to Directly Pay For N-I-L

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Executive Order 2024-08D, now codified, unequivocally asserts that the State of Ohio boasts the best postsecondary educational institutions and intercollegiate student-athletes in the country. The Ohio State University bolstered that representation after clinching the College Football National Championship Monday night. Enacted into law through House Bill 315, this landmark legislation permits institutions of higher education and private colleges to directly compensate student-athletes for the use of the student-athletes' names, images, or likenesses (NIL). Prior to the legislation being signed into law, Ross Bjork, Ohio State's athletic director, **announced** the institution's intention to begin direct payments to its student-athletes beginning July 1, 2025.

Prior to this legislation, Ohio, like many other states, adhered to the NCAA's traditional model, which prohibited institutions from directly paying student-athletes for their NIL. Under NCAA rules, student-athletes could receive scholarships covering tuition, room, board, and other educational expenses. The new legislation, which allows institutions to directly compensate student-athletes for their NIL, enhances institutions' ability to retain top talent, provides additional revenue avenues for student-athletes, and has the potential to eliminate some of the grey areas involving institutions, collectives, and student-athletes.

The new legislation presents both opportunities and challenges for institutions. On one hand, institutions will certainly leverage the ability to compensate student-athletes for the use of their NIL. On the other hand, institutions will need to navigate an increasingly complex legal landscape to ensure compliance. The legislation represents a significant shift in the collegiate sports landscape, with far-reaching implications for student-athletes, institutions, collectives, and brands. Institutions, which were previously responsible only for reviewing their student-athletes' NIL deals for potential conflicts, will now be actively involved in determining which brands their student-athletes can potentially align with. This adds another layer to Title IX compliance and introduces additional pressures to provide beneficial opportunities for student-athletes. Additionally, this change underscores the broader

movement towards enabling student-athletes to capitalize on their commercial value through their NIL.

Vorys actively assists corporate and institutional clients in navigating the complexities of NIL issues. Our experienced team is well-equipped to guide you through all facets of NIL regulations and permissible engagements. Contact us for a consultation to gain further clarity on NIL issues.