# Michigan-led bipartisan bill aims to bar college athletes from employee status amidst record NCAA settlement



A bipartisan bill introduced by House Republican Conference Chairwoman Lisa McClain of Michigan and Oregon’s Rep. Janelle Bynum seeks to reshape the landscape for college student-athletes by prohibiting them from being classified as employees of their universities. Dubbed the "College Student-athlete Protections and Opportunities through Rights, Transparency, and Safety (College SPORTS) Act," this legislation aims to create a consistent national framework governing athlete compensation, particularly as it relates to their name, image, and likeness (NIL).

The timing of this bill is significant, coming just days after U.S. District Judge Claudia Wilken approved a landmark $2.8 billion settlement relating to athlete compensation. This settlement, the result of protracted legal disputes, allows universities to compensate athletes not only for past commercial use of their likenesses from 2016 to 2024 but also for future opportunities. It paves the way for schools to share substantial revenue—up to $20.5 million annually—with their athletes, representing a major evolution in how college sports operate financially.

In discussing the motivation behind the College SPORTS Act, McClain stressed the need to protect student-athletes’ “economic freedom,” asserting that their dedication deserves tangible rewards. "In America, hard work and talent should be rewarded," she stated, underscoring a view that student-athletes enrich the collegiate sports environment through their commitment. The bill also introduces several notable provisions aimed at supporting athletes, including allowing them to utilise scholarships for a decade after leaving school, ensuring medical costs for sports-related injuries are covered for at least two years post-graduation, and implementing safeguards against exploitation by agents.

NCAA President Charlie Baker has advocated for supportive federal legislation following the recent court ruling, emphasising the importance of maintaining the amateur spirit of college sports. He argues that preventing the classification of athletes as employees serves their interests, allowing them to focus on their studies while enjoying the rights to their NIL. Furthermore, Baker asserts that federal oversight is essential to harmonise the varying state laws that govern athlete compensation, providing a stable framework for future developments.

Contrastingly, some critics are concerned this bill might shield universities from accountability and reduce the bargaining power of student-athletes. A consideration to keep in mind is that in previous instances, such as a Michigan Senate bill passed in late 2020, similar measures have sought to prohibit collegiate athletes from unionising, limiting their capacity to negotiate for better terms regarding their financial and medical compensation.

The unfolding landscape of college athletics is increasingly influenced by external financial players, notably private equity firms eager to capitalise on recent changes in legislation. These firms see potential in the growing revenue models for college sports, facilitated by the new settlement and its defined compensation parameters. As the legal framework for athlete remuneration expands, continued legislative discussions like those surrounding the College SPORTS Act will be essential to clarify the future of student-athlete rights and compensation.

In summary, as Michigan legislators push for protections for student-athletes, the implications of the new legal landscape remain under scrutiny. The intersection of legislative action, judicial decisions, and financial interests presents a complex tableau that will shape the future of college sports, particularly regarding the balance between maintaining amateur status and recognising the economic contributions of student-athletes.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.macombdaily.com/2025/06/10/michigan-legislators-bill-would-prohibit-student-athletes-from-being-considered-employees/), [[2]](https://www.apnews.com/article/017aa376df1737e9265fea1d6a1d7aa8)
* Paragraph 2 – [[1]](https://www.macombdaily.com/2025/06/10/michigan-legislators-bill-would-prohibit-student-athletes-from-being-considered-employees/), [[3]](https://www.reuters.com/sports/us-judge-approves-landmark-28-billion-ncaa-settlement-with-athletes-2025-06-07/)
* Paragraph 3 – [[1]](https://www.macombdaily.com/2025/06/10/michigan-legislators-bill-would-prohibit-student-athletes-from-being-considered-employees/), [[2]](https://www.apnews.com/article/017aa376df1737e9265fea1d6a1d7aa8), [[6]](https://www.michigandaily.com/uncategorized/state-senate-passes-bill-barring-student-athletes-unionizing/)
* Paragraph 4 – [[2]](https://www.apnews.com/article/017aa376df1737e9265fea1d6a1d7aa8), [[4]](https://www.axios.com/2025/06/10/college-football-private-equity), [[7]](https://www.axios.com/newsletters/axios-pro-rata-b7e5acb6-a99a-4b21-a8a6-e36e7a8eb634)
* Paragraph 5 – [[1]](https://www.macombdaily.com/2025/06/10/michigan-legislators-bill-would-prohibit-student-athletes-from-being-considered-employees/), [[5]](https://www.michigan.gov/whitmer/news/press-releases/2020/12/30/governor-whitmer-signs-bills-allowing-collegiate-athletes-to-receive-compensation-for-the-first-time-in-michigan-history)

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## Bibliography

1. <https://www.macombdaily.com/2025/06/10/michigan-legislators-bill-would-prohibit-student-athletes-from-being-considered-employees/> - Please view link - unable to able to access data
2. <https://www.apnews.com/article/017aa376df1737e9265fea1d6a1d7aa8> - NCAA President Charlie Baker is urging Congress to pass federal legislation that supports recent reforms in college sports, including a $2.8 billion lawsuit settlement approved by a federal judge. The settlement allows schools to directly pay athletes through revenue-sharing, a significant shift in the collegiate sports model. To implement this effectively, Baker is lobbying for limited antitrust protection, particularly to prevent lawsuits against the settlement’s spending caps and possibly to shield existing eligibility rules. He also emphasized the importance of federal preemption over varied state laws on athlete compensation and a ban on classifying athletes as employees, arguing that student-athletes prefer to maintain their status as students. The changes, set to take effect on July 1, present major challenges for athletic departments, but Baker views the settlement as a vital step to ensure the future viability of college sports and to manage financial liabilities more sustainably. Legislative support would help formalize these reforms and provide stability across conferences and institutions.
3. <https://www.reuters.com/sports/us-judge-approves-landmark-28-billion-ncaa-settlement-with-athletes-2025-06-07/> - A U.S. District Judge, Claudia Wilken, has given final approval to a landmark $2.8 billion settlement between the NCAA and student athletes. The ruling allows NCAA schools to compensate athletes for the commercial use of their names, images, and likenesses, both retroactively and moving forward. This settlement resolves long-standing antitrust litigation alleging that NCAA rules prohibiting athlete payments were unlawful. According to Wilken, the agreement introduces unprecedented compensation opportunities for student athletes. Although there were objections to the fairness and adequacy of the settlement, it remains in effect unless overturned on appeal by the 9th U.S. Circuit Court. Covering hundreds of thousands of current and former athletes dating back to 2016, the settlement includes financial redress and future payments funded by universities through revenue from broadcasts and other commercial ventures. NCAA President Charlie Baker expressed support for the decision, emphasizing the expanded opportunities and support now available to student athletes. The NCAA has not admitted wrongdoing in the case. Another related lawsuit involving athletes from before 2016 was dismissed earlier, but an appeal is underway.
4. <https://www.axios.com/2025/06/10/college-football-private-equity> - Private equity firms are increasingly showing interest in college sports, particularly in light of a recent federal court-approved settlement that allows schools to compensate student-athletes. This legal development provides a clearer financial framework for both educational institutions and potential investors, promoting further dealmaking opportunities. Although the settlement does not drastically change the investment landscape, it notably advances the prospects for private equity involvement. One of the key considerations remains that media rights—currently a major revenue source in college sports—are largely managed at the conference level, limiting some financial maneuvering. While not a transformative shift, the settlement is a significant step in aligning economic models with the evolving legal environment in collegiate athletics.
5. <https://www.michigan.gov/whitmer/news/press-releases/2020/12/30/governor-whitmer-signs-bills-allowing-collegiate-athletes-to-receive-compensation-for-the-first-time-in-michigan-history> - Governor Gretchen Whitmer signed bipartisan legislation today allowing student athletes to use their own name, image, likeness, and reputation for financial compensation. This marks the first time in Michigan history that collegiate athletes will have the opportunity to financially benefit from the countless hours they commit to their sport while attending school.
6. <https://www.michigandaily.com/uncategorized/state-senate-passes-bill-barring-student-athletes-unionizing/> - The Michigan Senate passed a bill banning student athletes in Michigan from unionizing Tuesday, sending it to Republican Gov. Rick Snyder’s desk for approval. HB 6074, passed by the State House on Dec. 3, would ensure that student-athletes in the state cannot be designated as public employees, a classification necessary to begin the unionization process.
7. <https://www.axios.com/newsletters/axios-pro-rata-b7e5acb6-a99a-4b21-a8a6-e36e7a8eb634> - A significant development emerged in college sports financing as a federal judge approved a settlement allowing schools to pay student-athletes, defining a cap of $20.5 million per school annually—primarily benefiting football players—with expectations of annual increases. This clarity encourages private equity interest in university athletics, particularly in elite programs aiming to finance facilities and fan experiences. The deal also includes $2.8 billion in restitution for former athletes and measures to curtail third-party booster involvement.