

Sports & Esports Alert

August 2025

With Executive Order, President Trump Aims To Reshape College Sports

This alert was developed with significant assistance and input from Lo Davis, Executive Director of Cavalier Futures Marketing Inc.

On July 24, 2025, President Donald Trump signed an executive order titled "[Saving College Sports](#)" reflecting the administration's growing concern over what it describes as a chaotic and unsustainable system, where litigation; name, image and likeness (NIL) state laws; and unregulated student-athlete compensation have eroded the traditional model of college sports. The order seeks to protect and, where possible, expand women's and nonrevenue sports by ensuring access to scholarships and opportunities to compete (roster spots) and to prohibit pay-for-play payments that function as de facto salaries. The order instructs the Department of Labor and National Labor Relations Board (NLRB) to opine on whether student-athletes are employees, and it enlists support from federal agencies in defending the National Collegiate Athletic Association (NCAA) and its members from antitrust lawsuits.

Trump's order represents an unprecedented federal intervention in collegiate athletics governance, and it sends a strong signal to institutions regarding parity and balance in their allocation of resources. While its legal impact remains limited without accompanying congressional action, federal agency guidance and judicial interpretation, the order will likely figure into the already complicated calculus of athletic department decision-making this fall.

Protecting Nonrevenue Sports

The president's proposed guardrails to protect nonrevenue and women's sports are presented in the form of quantitative guidelines for scholarships and roster spots in the 2025 – 2026 season and beyond,



based on an institution's revenue during the 2024 – 2025 season. The order does not define "nonrevenue sports," but it implies (in the preamble) that the term covers all sports other than football and men's basketball. Thus, the guidelines are intended to ensure consistent or expanded opportunities for student-athletes in women's sports and sports such as swimming, track and tennis.

- The wealthiest programs—those generating over \$125 million in revenue—are directed to increase scholarships for nonrevenue sports in 2025 – 2026 and to provide the maximum number of roster spots for nonrevenue sports permitted under the collegiate rules.
- Mid-tier programs generating \$50 million to \$125 million in revenue are advised to maintain their current scholarship levels and to provide the maximum number of roster spots for nonrevenue sports permitted under the collegiate rules.
- Smaller programs that either generate less than \$50 million in revenue or have no revenue-generating sports are advised not to disproportionately cut scholarships and roster spots based on revenue.

Attorney Advertising



LOS ANGELES
NEW YORK
CHICAGO
NASHVILLE

WASHINGTON, DC
SAN FRANCISCO
BEIJING
HONG KONG

loeb.com

These directives create a dilemma for athletic departments moving forward, as they are already facing significant financial pressure to fund the \$20.5 million annual payment under the [House settlement](#). The order, if enforced, prevents athletic departments from eliminating nonrevenue sports as a cost-cutting measure. Institutions may fear that failure to comply with the order’s mandates would invite targeted scrutiny and federal funding consequences, which could impact a school’s operations beyond the athletic department. That fear is well founded. Section 2(d) of the order instructs the Secretary of Education, in consultation with the Attorney General, Secretary of Health and Human Services (HHS), and the chair of the Federal Trade Commission (FTC), to develop a plan to enforce the president’s directives “through all available and appropriate regulatory, enforcement, and litigation mechanisms, including Federal funding decisions, [and] enforcement of Title IX.” Moreover, as we have seen in recent months, President Trump has used the threat of federal funding freezes as a lever to compel alignment with his administration’s higher education policy agenda.

Prohibiting Pay-for-Play

While the order permits legitimate third-party NIL deals based on fair market value (such as brand endorsements), it prohibits pay-for-play payments to student-athletes (i.e., inducements that function as de facto salaries). This distinction, however, appears more symbolic than substantive, as pay-for-play schemes are already prohibited under NCAA rules and state NIL laws.

Student Athletes Employee Status

The order directs the U.S. Department of Labor and the NLRB to clarify whether student-athletes are professional employees. This move appears aimed at preempting efforts to classify athletes as professional employees under federal labor laws—a classification that could open the door to unionization and collective bargaining.

Any federal agency declaration on employment status of student-athletes undoubtedly would face significant judicial scrutiny. The U.S. Supreme Court’s 2024 decision in *Loper Bright Enterprises v. Raimondo* overturned the long-standing Chevron doctrine, which required courts to defer to reasonable agency interpretations of ambiguous federal statutes. This shift means federal agencies now have much less authority to definitively interpret unclear laws. As a result, whether student-athletes qualify as employees under the National Labor Relations Act and Fair Labor Standards Act is ultimately a question for federal courts to decide.

Antitrust Liability and Congressional Action

The order also tasks the U.S. Department of Justice and the FTC with developing litigation strategies to defend the NCAA and its members from antitrust lawsuits. While the administration appears to favor shielding the NCAA and its members from antitrust scrutiny, it stops short of explicitly calling for an antitrust exemption—something only Congress can provide.

The congressional debate over college sports legislation reflects deep partisan divides. The SCORE Act—which recently advanced through House committees—would provide the NCAA and its members some measure of antitrust protection as well as preempt state NIL laws in favor of a federal NIL framework. But the bill faces dim prospects in the Senate due to limited Democratic support. While Republican lawmakers focus on shielding the NCAA from litigation and state laws, Democratic lawmakers emphasize greater protections for student-athletes and resist providing antitrust protections without corresponding worker rights.

Our Take

In practical terms, the order gives athletic departments one more factor to worry about when making decisions about scholarships and how to share revenue with student-athletes. Beyond this added complexity, the order’s practical impact remains limited. While the order aligns closely with NCAA priorities, it lacks the authority needed to resolve fundamental legal questions around antitrust exemptions and employment status. Rather, the order’s ultimate effectiveness will depend on factors largely beyond executive control—judicial interpretation, congressional cooperation and the broader political landscape—suggesting that the regulatory future for college sports remains far from settled despite this high-profile federal intervention.

Related Professionals

- Brian Socolow bsocolow@loeb.com
- Diara Holmes. dholmes@loeb.com
- Neil Lefkowitz nlefkowitz@loeb.com
- Donna Mangold dmangold@loeb.com
- Alexander Loh aloh@loeb.com

This is a publication of Loeb & Loeb and is intended to provide information on recent legal developments. This publication does not create or continue an attorney client relationship nor should it be construed as legal advice or an opinion on specific situations.