

# **California Colleges and Universities Can Make NIL Deals Directly with College Athletes and Recruits**

## **An Open Letter on the California Fair Pay to Play Act (SB 206)**

Oct. 9, 2024

To California colleges and universities and college sports stakeholders,

We, the undersigned, urge all California colleges and universities to make full use of the state's name, image, and likeness (NIL) law, SB 206, the Fair Pay to Play Act, which allows colleges and universities to enter into NIL deals directly with their college athletes.

We also want California college stakeholders, including current college athletes, recruits and their parents, athlete agents, conferences, and athletic associations to know that SB 206 allows California colleges and universities to directly enter into NIL deals with their college athletes and to directly pay students athletes at their colleges NIL money.

Additionally, SB 206 permits California colleges and universities to directly enter into NIL deals with recruits, however, under the law, colleges and universities are prohibited from paying NIL money to recruits until the recruits are enrolled in the school and participating in the college's sports program.

We are writing this open letter because other states, including Georgia, Illinois and Virginia, have recently enacted laws allowing their colleges and universities to enter into NIL deals with college students and recruits. California does not need to enact such a law because SB 206 already includes this provision.

We are also writing this letter because California colleges and universities do not appear to be maximizing this aspect of SB 206. To date, most NIL deals are being made directly between commercial entities — such as a sports drink or sports apparel company — and college athletes. Or, the NIL deals are being made between NIL collectives, i.e. wealthy boosters, and student athletes.

But SB 206 allows for more than just commercial entities and collectives offering NIL deals. For example, under SB 206, California colleges and universities could enter into a sports apparel or sports memorabilia deal with their student athlete and the athlete would be paid directly by the college for the college's use of the athlete's name, image, or likeness on the college-issued apparel or memorabilia.

In addition, SB 206 prohibits the NCAA or any athletic conference from punishing a California college or university or a college athlete for entering into such direct deals. However, to date, it does not appear that California colleges and universities are utilizing this provision, even though it's allowed under SB 206.

We are writing this open letter now because the national recruiting early signing windows begin on November 13 for all sports except football, which begins on December 4. Also, transfer portal windows begin in November and December.

For clarity, under [SB 206](#):

- All California colleges can enter into direct NIL deals with their college athletes and directly pay college athletes NIL money [[California Education Code 67456 \(a\) \(1\)](#)];
- The NCAA and athletic conferences are prohibited from punishing colleges or universities or college athletes for entering into direct NIL deals or for paying college athletes directly [[California Education Code 67456 \(a\) \(2\) and \(3\)](#)];
- All California colleges and universities can also enter into direct NIL deals with recruits, as long as the college or university doesn't pay the recruit directly until they enroll and participate in the college's sports program [[California Education Code 67456 \(b\)](#)].

These provisions not only will help California colleges and universities remain competitive in college sports recruiting, but they also allow for additional revenue streams for colleges and universities and their college athletes.

Sincerely,



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California State Senator Nancy Skinner, Author of SB 206



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California State Senator Steven Bradford, Joint-author of SB 206



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SB 206 Co-sponsor: National College Players Association  
Signatory: Ramogi Huma, Executive Director



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SB 206 Co-sponsor: Andy Schwarz, Antitrust Economist