

# Georgia High School Association Places New Limits on How Students Can Benefit From NIL. Here's What it Means for Key Stakeholders.

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The Georgia High School Association (GHSA) amended its rules on July 18 to place additional limits on how student-athletes can participate in commercial name, image, and likeness (NIL) activities. This amendment comes nearly a year after Georgia joined a list of states that allowed high school athletes to profit from NIL. So, while the GHSA will continue to allow students to monetize their NIL, the July amendment does add additional guardrails on NIL activity.

But before we dive into the amendment and key takeaways for school administrators, here is a refresher on GHSA's NIL rules that were initially implemented last year.

## What Does the GHSA Allow With NIL?

In October 2023, the GHSA [added a new bylaw and guidance](#) to its constitution to allow high school student-athletes to engage in NIL activities — so long as they meet three key provisions.

The first is that the NIL compensation cannot be contingent on specific athletic performance, meaning how an athlete performs on the basketball court or softball mound doesn't alter what they receive as part of an NIL deal. The second is that compensation isn't provided by the school or any person

The GHSA also placed a number of restrictions on NIL activities. For example, student-athletes may not engage in NIL activities that involve the use of school logos, school name, school uniforms, school mascots

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when participating in NIL activities. Additionally, school facilities cannot be used for any NIL purpose.

## **What Did the GHSA Amend in July?**

The GHSA's recent amendment states that no student-athlete can be a member or receive compensation or any other benefit from an NIL collective or NIL club. All other GHSA NIL rules remain in effect.

Under the GHSA amendment, NIL collectives are defined as any group organized or existing for the purpose of compensating or benefiting an individual student-athlete or a group of student-athletes of a member school. NIL clubs are defined as a group of student-athletes organized or existing for the purpose of soliciting funds or other benefits from fans, members or other sources, managing or promoting NIL activities of student-athletes, or otherwise providing funds or other benefits to an individual student-athlete or group of student-athletes.

Booster clubs, however, that are operated under the supervision of a GHSA member school and provide money or other benefits to fund school athletic facilities, equipment or team meals — not individual student-athletes or a group of student-athletes — are not considered NIL clubs or collectives. Still, it is important that schools associated with the GHSA be mindful about the level of control and authority they assert over these booster clubs as it could create Title IX liability.

## **What Does the GHSA Say About Noncompliance?**

Student-athletes and schools are both expected to comply with the GHSA by-laws and the consequences of not doing so could be significant. In fact, the GHSA says that student-athletes who do not comply with the NIL rules may lose eligibility to compete in all GHSA activities. Schools that are a part of the GHSA and knowingly allow their student-athletes to violate the GHSA NIL guidelines may also be subjected to fines, forfeiture of contests, probation, and being declared ineligible to compete in post-season contests or

## **Key Takeaways for School Districts**

The GHSA amendment is a response to the ways in which continues to shift and change all over the country. Indeed student-athlete compensation — at both the high school and college level — is evolving as schools reckon with a new reality of their student-athletes. The proposed settlement terms in *House v. NCAA*, which

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student-athletes, underscore this and usher in a new way in which collegiate student-athletes will be compensated for years to come. It will likely impact high school athletics.

For now, based on the GHSA guidelines, Georgia school districts should consider the following moving forward:

- Investigate and stay aware of NIL clubs and collectives that operate in your school district. Some clubs and collectives may not physically be in your jurisdiction, but they operate through the use of cellphone applications that target students across the country. By staying aware of which organizations your students are in touch with, you can better track compliance issues that could lead to a student being ineligible to compete.
- Maintain open communication between school administration and athletic directors, coaches, and athletes. This will ensure that all key stakeholders are aware of agreements and contracts in place. As a reminder, students or their parents or guardians must tell a principal or athletic director within seven days of entering into an NIL agreement or contract.
- The GHSA has set out a handful of guidelines for NIL activities, which we have laid out above. Remember that as part of your open communication with administrators and other school employees, you are going through this list to stay in compliance with GHSA rules and to keep a pulse on NIL activity in your district to ensure it does not run afoul of state and federal laws like Title IX.

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