

NIL In High School Athletics: A National and Alabama Perspective

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INTRODUCTION TO NIL



What is NIL?

Name, Image, and Likeness allows athletes to profit from their personal brand.



Examples:

Endorsements, social media promotions, autograph signings.

NIL in College and High School Athletics



History: Interim policy adopted June 30, 2021, post-Alston ruling, allows college athletes to monetize NIL per state laws.



House v. NCAA Settlement (June 2025): \$2.8 billion settlement approved, enabling schools to pay athletes directly via revenue sharing starting 2025-26



High School Pioneers: California first allowed high school NIL on July 1, 2021, followed by New York (October 2021) and New Jersey (November 2021).

NIL Regulations Across States

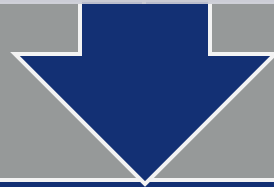
Variations:

California: Prohibits school logos, uniforms, and team names.

Connecticut: Requires disclosure, bans vice industry endorsements.

Illinois: Prohibits school logos, vice industry endorsements.

Iowa: No pay-for-play or inducements, no impermissible logo use.



Youngest Athletes: States like California allow athletes as young as 14 (grade 9) to profit from NIL.

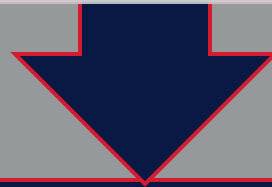
National Overview of High School NIL

Current Status (June 2025):

39 states permit high school NIL.

7 states prohibit it, including Alabama.

4 states under consideration.



Regulations: Often restrict school affiliations in deals

Alabama's HB489: Proposed NIL Framework



Current Status: Prohibited under AHSAA rules.



HB489 (April 2025): Allows NIL with restrictions:

No school logos, names, or mascots.

No pay-for-play or recruitment inducements.

Professional Guidance: Athletes and parents must consult experts on financial aid and tax implications before receiving compensation.

Must notify principal or athletic director 7 days before signing NIL contracts



Public Opinion: 2023 poll shows 54% support high school NIL

Case Studies: NIL Successes and Challenges



Successes:

Jaden Rashada (CA, Football): Four-figure deal with AIR, Safeway partnership.

Xamiya Walton (IL, Basketball): First Illinois NIL deal with Shoot-A-Way.

Bayliss Flynn (MN): Deal with TruStone Financial.



Challenges:

Ineligibility risks in states prohibiting NIL.

Pressures from brand management.

Equity issues favoring prominent sports.

Negative Real-Life Examples of NIL Deals



Gervon Dexter (FL, Football): Signed college NIL deal with Big League Advance, requiring 15% of NFL earnings for 25 years; sued to void it for violating Florida law (ESPN).



Eligibility Issues: Athletes in states like Alabama risk ineligibility for engaging in NIL where prohibited.



Exploitation Risks: Young athletes may sign unfavorable contracts without proper guidance.

Benefits of NIL for High School Athletes



Financial Opportunities:
Eases family burdens, funds
training or education.



Skill Development: Learn
branding, marketing, and
financial management.



Early Capitalization: Profit
from athletic success
before college.

Drawbacks and Concerns

Distractions: May shift focus from academics and sports.

Equity Issues: Uneven opportunities, especially across gender and school resources.

Exploitation Risk: Inexperienced athletes may face unfair deals

Legal Drawbacks and Concerns in Alabama



Enforcement Challenges: Difficult to ensure no pay-for-play or inducements.



Exploitation Risks: Young athletes vulnerable to unfair contracts.



AHSAA Legal Risks: Potential lawsuits over monitoring deal motivations; e.g., a business offering an NIL deal to a star athlete might be accused of influencing school choice, leading to legal disputes.


High School NIL Lawsuits

Florida (2022): Sal Stewart and Gilbert Frierson sued FHSA, challenging bylaws prohibiting athletes from capitalizing on athletic fame (Sportico).


California (2025): Dominik Calhoun filed a class-action lawsuit against CIF, alleging NIL restrictions violate antitrust laws (Yahoo Sports).

Impact on Recruitment and School Choice

Choosing Schools: Athletes may relocate to states like California where NIL is allowed, e.g., families moving to access deals



Transfers: In North Carolina, athletes may transfer to private schools allowing NIL, unlike public schools



College Recruiting: High school athletes with NIL deals have leverage in college negotiations, bringing brand value.

Future Outlook

Alabama's Path: HB489, if passed, could align Alabama with 39 states by October 2025.

National Trend: More states likely to adopt NIL as policies evolve.

Adaptation Needs: Schools and athletes must navigate guidelines and ensure fairness

Recommendations for HB489 Implementation



Education: Schools should educate athletes and families on NIL rules and implications.



Professional Guidance: Athletes should consult experienced professionals before signing deals.



School Policies: Develop clear policies for handling NIL notifications.



Monitoring: Implement mechanisms to monitor compliance.



Equity: Ensure NIL opportunities are accessible to all athletes/sports.

Conclusion



Summary: NIL offers opportunities but poses challenges for high school athletics.



Alabama's Context: Awaiting legislative changes to join the national trend.



Stay Informed: Monitor developments for athletes, schools, and policymakers