

CSC Enforcement Policy re: Incremental Scholarship Counting

Context:

The *House* settlement requires that the first \$2.5M in incremental athletic scholarships (i.e., scholarships awarded in excess of prior NCAA limits) be counted against an institution's revenue share cap. This amount is calculated using the published cost-of-attendance value of each incremental athletic scholarship.

The policy outlined below, which was approved by the Board of Managers of the College Sports Commission, is intended to provide guidance to institutions in making institutional decisions on scholarships and further encourage institutions to increase scholarship opportunities, particularly in non-revenue sports. This framework applies only to benefits cap overages caused by incremental scholarships, and not to other benefits exceeding the \$20.5M pool. A specific approach for 2025-2026 (compared to all future years) is intended as a recognition of the distinction between those that may have willfully disregarded the settlement's requirements from those that sought to comply but may have misunderstood or misapplied the articulated standards.

CSC Policy on Incremental Scholarship Counting:

- For 2025-2026, there will be no substantive change to the established framework of CSC enforcement of cap overages:
 - For 2025-26 only, institutions that exceed the benefits cap via spending on incremental scholarships will be issued a fine of \$1 for every \$1 by which they exceed the cap up to \$2.5M.¹
 - The CSC will retain discretion to adjust the presumptive “one-for-one” fine based on the circumstances of the violation (e.g., willful violation versus administrative error).
 - Under current NCAA Bylaw 16.13.1.8, any benefits cap overages due to incremental scholarships **will** count against the institution's 2026-2027 cap.
- Beginning in 2026-27, the framework will be as follows:
 - A fine of \$0.20 for every \$1 by which an institution exceeds the cap via spending on incremental scholarships (up to \$2.5M).
 - NCAA Bylaw 16.13.1.8 will be modified, subject to appropriate NCAA approvals, and cap overages due to incremental scholarships **will not** count against the institution's cap in the following year.

¹ There will be no fines on incremental scholarships over \$2.5M because those amounts are not required to be counted against the cap under the terms of the *House* settlement.