Attorney General Ellison reaches settlement with NCAA over transfer rule

NCAA won't require Division I student athletes to wait a year to compete simply for transferring schools

May 30, 2024 (SAINT PAUL) – Today, Attorney General Ellison announced that he and a bipartisan coalition of 11 state attorneys general and the Department of Justice have reached a <u>settlement</u> with the National Collegiate Athletic Association to permanently ease restrictions on Division I college athletes who transfer schools multiple times and otherwise enhance their rights and opportunities. The <u>settlement</u> removes what the coalition views as an illegal restraint on the athletes' ability to market their labor and control their education.

"I am pleased to have reached an agreement with the NCAA that will ease their unjust and arbitrary restrictions on student athletes who transfer schools," **said Attorney General Ellison.** "This will ensure that students can make the best decisions possible for their educations without jeopardizing their freedom to compete and control their labor."

At issue was the NCAA's transfer eligibility rule, which required athletes who transferred among Division I schools to wait one year before competing in games unless they were granted a waiver. In 2021, the NCAA began automatically exempting first-time transfers from the regulation. Simultaneously, it continued to enforce the rule for subsequent transfers and to deny waivers for no legitimate reason.

This uneven and arbitrary enforcement prompted the state attorneys general to sue the NCAA, accusing the agency of violating antitrust laws with its unfair restrictions on second-time transfers. The states, who were quickly joined in the lawsuit by the Justice Department, maintained that the rule infringes on the athletes' ability to freely move to another school where they may have opportunities to compete.

The federal district court previously granted the states' request for a preliminary injunction, forbidding the NCAA from enforcing the transfer rule through at least the spring sports season, which just ended.

The proposed settlement announced today, which the court must approve, makes permanent the judge's decision in favor of the athletes.

In addition to ensuring athletes' autonomy, the agreement also:

- Prevents retaliation from the NCAA against member institutions and athletes who challenge the rule or support those who do. This includes safeguarding student athletes' rights to compete during legal proceedings without fear of punitive actions from the NCAA.
- Requires the NCAA to grant an additional year of eligibility to Division I athletes who for any reason were
 previously deemed ineligible under the transfer eligibility rule since the 2019-20 academic year.

- Prohibits the NCAA from undermining or circumventing its provisions through future actions, rules or policies, thereby ensuring college athletes' rights and freedoms.
- Establishes the court's continuing jurisdiction to enforce its terms and resolve any disputes that may arise.

The bipartisan coalition that reached this settlement was led by Ohio Attorney General Dave Yost and includes Attorney General Ellison, the U.S. Department of Justice, and the attorneys general of Colorado, the District of Columbia, Illinois, Mississippi, New York, North Carolina, Tennessee, Virginia, and West Virginia.