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119TH CONGRESS
1ST SESSION

H. R. 5693

To amend the Higher Education Act of 1965 to prohibit certain private-equity and sovereign wealth fund agreements involving intercollegiate athletics.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2025

Mr. BAUMGARTNER introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend the Higher Education Act of 1965 to prohibit certain private-equity and sovereign wealth fund agreements involving intercollegiate athletics.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Protect College Sports from Private Equity and Foreign Influence Act’’ or the ‘‘PROTECT Act’’.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Intercollegiate athletics are conducted under the auspices of nonprofit institutions of higher edu-

cation and, when properly governed, promote student development, campus life, community identity, and broad public engagement in education—benefits that constitute a public good aligned with the educational missions those institutions are chartered to serve.

(2) Intercollegiate athletics generate billions of dollars in revenue annually through national media contracts, sponsorships, and ticket sales that span multiple States, creating a significant impact on interstate commerce.

(3) Public institutions of higher education are financed and supported by taxpayers through direct appropriations, tax-exempt status, subsidized Federal student aid, and tax-advantaged debt, and therefore have a heightened obligation to ensure that institutional assets—including intercollegiate athletics programs and facilities—are managed for public benefit and student welfare rather than private enrichment.

(4) Agreements that convey ownership, revenue-sharing, control rights, or security interests in intercollegiate athletics to private equity, hedge funds, or similar vehicles are inherently conflicted, create pressure to maximize short-term cash flows at the ex-

pense of educational and Title IX obligations, and risk extracting wealth from publicly supported institutions and their students—undermining transparency, accountability, and the public purposes for which those institutions exist.

SEC. 3. PROGRAM PARTICIPATION AGREEMENTS.

Section 487(a) of the Higher Education Act of 1965 (20 U.S.C. 1094(a)) is amended by adding at the end the following:

"(30) PROHIBITION ON PRIVATE-CAPITAL AND SOVEREIGN WEALTH AGREEMENTS INVOLVING INTERCOLLEGIATE ATHLETICS.—

"(A) As a condition of eligibility under this title, an institution shall not enter into, maintain, or permit any agreement with a private capital firm or a sovereign wealth fund that—

"(i) transfers, assigns, pledges, or otherwise conveys to such firm or fund any ownership, profit, net-revenue, or gross-revenue interest arising from the institution's intercollegiate athletics program, including media, sponsorship, licensing, ticketing, premium seating, data, or other commercial rights;

"(ii) grants such firm or fund control rights over athletics decisions, institutional branding, scheduling, personnel, or student participation; or

"(iii) establishes a joint venture, new entity, or other agreement through which such firm or fund receives any share of, or any interest in, athletics-related revenues or rights, including licensing and merchandising rights, or athletics facilities or related real property including any leasehold, sublease, concession, easement, mortgage, deed of trust, lien, or similar property interest.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply to:

"(i) fee-for-service contracts for discrete services;

"(ii) charitable contributions, gifts or grants;

"(iii) tax-exempt bond financings or lease-purchase agreements with governmental units or §501(c)(3) conduit issuers that do not convey revenue interests or control rights to a private capital firm; or "(iv) sponsorships or advertising agreements that provide brand placement without revenue-sharing or control.

"(C) Conference and affiliate coverage.—An institution shall ensure compliance with this paragraph for any agreement entered by an athletics conference, media-rights consortium, or other affiliate that allocates, assigns, or encumbers the institution's athletics-related revenues or rights.

"(D) Collectives and controlled entities.—This paragraph applies to any collective, foundation, affiliate, or separate legal entity that is directly or indirectly owned, controlled, or operated by the institution or its athletics department.

"(E) Certification and disclosure.—The Secretary shall require annual program participation agreement certification that the institution and its affiliates have not entered into any agreement described under subparagraph (A) and shall require public disclosure of all agreements relying on an exception under subparagraph (B).

"(F) DEFINITIONS.—For purposes of this paragraph:

"(i) PRIVATE CAPITAL FIRM.—The term 'private capital firm' means (I) a hedge fund or private equity fund as those terms are defined in 12 U.S.C. §1851(h)(2), (II) a private fund as defined in 15 U.S.C. § 80b–2(a)(29), and (III) any investment adviser (as defined in 15 U.S.C. § 80b–2(a)(11)) that advises a fund described in subclause (I) or (II).

"(ii) CONTROL RIGHTS.—The term 'control rights' includes consent, veto, or approval rights over budgets, hiring, scheduling, competition, branding, or strategic decisions; or other rights to assume or direct management or operations of an intercollegiate athletics program or athletics facility.

"(iii) INTERCOLLEGIATE ATHLETICS PROGRAM.—The term 'intercollegiate athletics program' includes teams, departments, conferences, media or data rights, ticketing and premium seating, sponsorships, licensing and merchandising, and athletics facilities used primarily for intercollegiate varsity sports competition.

"(iv) SOVEREIGN WEALTH FUND.—The term 'sovereign wealth fund' means an investment fund owned or controlled by a foreign state, an agency or instrumentality of a foreign state (as defined in 28 U.S.C. §1603), or an agent of a foreign principal (as defined in 22 U.S.C. §611).

"(G) TRANSITION.—Agreements in effect on the date of enactment shall be brought into compliance or terminated not later than 24 months after such date. No agreement may be renewed or extended except in compliance with this paragraph.

"(H) RULEMAKING.—The Secretary of Education shall issue regulations to carry out this paragraph after consultation with the Secretary of the Treasury and the Securities and Exchange Commission; and shall, to the maximum extent practicable, harmonize such regulations with definitions and interpretations under the Federal securities laws.".

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