

PREPARED BY: Phil Hovis
 DATE PREPARED: January 29, 2020
 PHONE: 4024710057

LB 962

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB962 would adopt the Nebraska Fair Pay to Play Act which is to become operative July 1, 2023. While the University of Nebraska and Nebraska State College System both generally note fiscal implications (i.e. increased expenditures and decreased revenue associated with implementation of the act), definitive estimates of fiscal impacts associated with the legislation are not identified.

The Nebraska Community College Association estimates the bill to represent no fiscal impact relating to community college areas.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	962	AM:	AGENCY/POLT. SUB: University of Nebraska
REVIEWED BY:	Gary Bush	DATE:	1/28/2020
		PHONE:	(402) 471-4161
COMMENTS: Unable to provide comment as no fiscal impact was provided.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	962	AM:	AGENCY/POLT. SUB: Nebraska State Colleges
REVIEWED BY:	Gary Bush	DATE:	1/17/2020
		PHONE:	(402) 471-4161
COMMENTS: No basis to disagree with estimate provided.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	962	AM:	AGENCY/POLT. SUB: Nebraska Community College Association
REVIEWED BY:	Gary Bush	DATE:	1/17/2020
		PHONE:	(402) 471-4161
COMMENTS: No basis to disagree with estimate provided.			

Please complete ALL (5) blanks in the first three lines.

2020

LB⁽¹⁾ 962

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 17, 2020 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Legislative Bill 962 will result in some amount of additional expenses and likely lost revenue for the University of Nebraska. The contract disclosure in section 4 and the review described in section 5 would require legal support that currently does not exist within the three athletics departments, and would represent a new expense. Additionally, the proposition of student-athletes earning compensation in this manner creates the possibility that current athletic departments' sponsors could shift existing investments away from the University and towards individual student-athletes, conceivably resulting in lost revenue for the University. To illustrate, a car dealership may opt to be recognized through a to-be-determined student-athlete name, image, or likeness medium, rather than the current sponsorship model through the athletic departments' channels, such as in-venue video board recognition.

Since the concept of student-athletes earning compensation for name, image, or likeness or athletic reputation has historically been prohibited, exactly how market factors would play out are unknown. It would be speculative to assign dollar values to additional expenses or potential lost revenues.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2020

LB⁽¹⁾ 962

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State College System (NSCS)

Prepared by: ⁽³⁾ Carolyn Murphy Date Prepared: ⁽⁴⁾ 01/21/2020 Phone: ⁽⁵⁾ 402-471-2505

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>-0-</u>	<u>_____</u>	<u>-0-</u>	<u>_____</u>

Explanation of Estimate:

LB962 would establish the Nebraska Fair Pay to Play Act. The effective date for the bill is July 1, 2023. Prior to that time, the NSCS does not anticipate any fiscal impact.

The bill appears to be similar to legislation that recently passed in California. It is too early to use that legislation as a reference in the potential fiscal impact that LB962 would have on the NSCS, therefore it is very difficult to determine the overall fiscal impact of the passage of this Act to the College's athletic programs. The Act could have an impact on student-athlete recruitment and retention, which is difficult to quantify. It is also difficult to anticipate the staffing needs for receiving and tracking disclosures of student-athlete compensation and any related trade secrets or nondisclosable information, as well as assuring no conflict with team contracts at our Colleges. The bill has the potential to increase questions to student financial aid staff regarding completion of FAFSA forms, and any resulting impact to students receiving need-based financial aid. With the complicated nature of tracking student-athlete compensation agreements and assuring compliance with the requirements of the bill, the NSCS anticipates additional staffing requirements beginning in 2023-24 if the bill passes. The NSCS also anticipates LB962 could have an impact on existing sponsorship deals and increase the likelihood for litigation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2020

LB⁽¹⁾ 962

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Agency 83 Nebraska Community College Association

Prepared by: ⁽³⁾ Greg Adams Date Prepared: ⁽⁴⁾ 1/15/2020 Phone: ⁽⁵⁾ 4024714685

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____