

PREPARED BY: Phil Hovis  
 DATE PREPARED: March 04, 2020  
 PHONE: 4024710057

**LB 962**

Revision: 01

Revised based on amendments adopted through 2/25/2020

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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.

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

While the Nebraska State College System (NSCS) generally notes fiscal implications (i.e. staffing / other cost increases as well as reductions in sponsorship revenue) associated with provisions of LB962, definitive estimates of fiscal impacts associated with the legislation are not identified. The NSCS estimates no fiscal impact prior to FY2023-24.

The University of Nebraska estimates provisions of LB962 to represent no fiscal impact prior to FY2022-23. Beginning with FY2022-23, the University indicates provisions of LB962 would necessitate legal support staffing (2.0 FTE estimated) that currently does not exist within the athletics departments at the UNK, UNL, and UNO campuses. The University anticipates that funding for related legal staff positions would be addressed / requested as an element of its 2021-23 biennium budget request in the event LB962 is enacted.

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

**2020**

**LB<sup>(1)</sup> 962 (AM2580 & AM2605)**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Community College Association

Prepared by: <sup>(3)</sup> Greg Adams Date Prepared: <sup>(4)</sup> 02/26/2020 Phone: <sup>(5)</sup> 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:**

The amendments to LB 962 do not change the original fiscal note submitted with LB 962. The Nebraska Community College Association sees no significant fiscal impact.

**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<sup>(1)</sup> 962 as Amended by AM2580 and AM2605**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State College System (NSCS)

Prepared by: <sup>(3)</sup> Carolyn Murphy Date Prepared: <sup>(4)</sup> 01/21/2020 Phone: <sup>(5)</sup> 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 or, with AM2580, earlier if an institution chooses to implement earlier. Prior to July 1, 2023, 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, although AM2605 limits the time allowed to bring a civil action to one year.

**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<sup>(1)</sup> 962 AM 2580 & 2605**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> March 4, 2020 Phone: <sup>(5)</sup> 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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

Legislative Bill 962 will result in additional staffing needs and undetermined loss of 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 athletics departments at the UNK, UNL, and UNO campuses. We anticipate needing to hire two (2) new associate legal counsels in FY2022-23 to meet this new work associated with LB 962. We anticipate these additional FTEs will be requested as part of the University's 2021-23 biennial budget submission.

It is also anticipated there will be a loss of revenue in athletic departments' sponsorships due to the shift of sponsorship towards individual student-athletes. The fiscal impact of this loss of revenue is undetermined.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>