

Incorporate AM3278, FA350, AM3306, and AM3353

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$0	(\$31,885)	See below	(\$63,770)
TOTAL FUNDS	\$0	(\$31,885)	See below	(\$63,770)

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

LB 1393 proposes amendments to the Nebraska Student Athlete Name, Image, or Likeness Rights Act (NIL) which allows Nebraska’s postsecondary institutions to be more directly involved with regards to NIL activities. The proposed changes would allow the college or university to better use department resources (e.g. facilities, photo/video, social media, etc.), and better activate existing relationships with corporate sponsors. Further, the changes would allow institutions in Nebraska to compensate a student-athlete for the use of the student-athlete’s name, image, or likeness should that be allowed by a college athletic association policy change, court order, or settlement agreement.

Of the postsecondary entities queried, only the University of Nebraska (NU) system notes a potential fiscal impact, depending on the level of University participation in NIL activities. NU’s estimate from the original fiscal note (\$169,650) includes the cost of one additional attorney to provide legal support if significant NIL activities are brought in-house (in the event such activities are allowable). This expense would be borne by the University and would come from their “Other” (e.g. athletic or privately-raised) funds rather than from appropriated General Funds.

According to the Department of Labor, AM3278 will generate a decrease in anticipated trust fund revenue of 5%. Unemployment tax collections during the calendar year 2023 were \$1,275,418. This equates to a one-half year impact for FY 2024-25 of approximately (\$31,885) and a full year reduction for FY2025-26 of approximately (\$63,770). The Fiscal Analyst has no basis to disagree with these estimates, and no appropriation is requested to make up this revenue.

FA350 provides that if any contract or agreement is entered into by an entity subject to the public records act for the use of a student-athlete’s name, image, or likeness rights or athletic reputation, such contract or agreement shall be subject to the public records act. This does not change the previously reported fiscal impact.

AM3306 strikes section 5 of the original bill. In the original section 5, a clause was added providing that no employee, including a coach or an athletic staff member, may be liable for damages to a student-athlete’s ability to earn compensation for the use of their name, image or likeness rights or athletic reputation resulting from decisions routinely taken in the course of intercollegiate athletics. That clause is now removed and results in no change to the fiscal impact.

AM3353 is a technical amendment that provides the statutory section for the “public records act” referenced in FA350 (84-712 to 84-712.09).

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

2024

LB⁽¹⁾ 1393 AM3278

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 04/04/2024 Phone: ⁽⁵⁾ 402-416-6809

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
TRUST FUNDS	_____	(31,885)	_____	(63,770)
TOTAL FUNDS	<u>_____</u>	<u>(31,885)</u>	<u>_____</u>	<u>(63,770)</u>

Explanation of Estimate: LB1393 AM3278 will generate a decrease in anticipated trust fund revenue of 5%. Unemployment tax collections during the calendar year 2023 were \$1,275,418. Half of the impact will impact FY 2024-25 for a total of \$31,885. A full year's impact of \$63,770 will take place during FY 2025-26.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____