

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4016-04
Bill No.: HCS for HB Nos. 1564, 1792 & 1748
Subject: Higher Education; Athletics; Department of Higher Education and Workforce Development
Type: Original
Date: March 6, 2020

Bill Summary: This proposal enacts provisions governing compensation for student athletes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
College & University Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 173.280 Student Athlete Compensation

Officials from the **Office of the Attorney General**, the **Missouri Office of Prosecution Services**, the **Department of Commerce and Insurance** and the **Department of Higher Education and Workforce Development** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal, HB 1748 (2020), officials from the **University of Missouri System** assumed this proposal would result in additional costs to the University of an undetermined amount.

Upon further inquiry, the **University of Missouri System** indicated there could be costs related to contract review as well as training costs for staff.

Officials from **University of Central Missouri** assume there would be an indeterminate fiscal impact.

Officials from **Northwest Missouri State University** assume the cost would range from none to very little.

Officials from the **State Technical College of Missouri** assume the proposal will have no fiscal impact on their organization.

Oversight assumes there could be costs related to contract review, staff training and for the implementation of an annual financial development program for student athletes. Oversight will show a range of impact from \$0 (the costs are minimal and can be absorbed) to an unknown cost to Colleges and Universities.

<u>FISCAL IMPACT - State Government</u>	FY 2021	FY 2022	FY 2023 (6 Mo.)
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COLLEGES & UNIVERSITIES

<u>Cost - contract review, staff training and financial development program - §173.280</u>	<u>\$0</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
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ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	<u>\$0</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021	FY 2022	FY 2023 (6 Mo.)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill prohibits public or private institutions of higher education from preventing a student from earning compensation for the student's name, image, likeness rights, or athletic reputation.

The bill further limits public or private institutions of higher education from preventing a student from participating in intercollegiate athletics if the student earns compensation, or from hiring professional representation as outlined in the bill.

The bill limits student athletes from entering into any contract for compensation that would require the athlete to display a sponsor's apparel, equipment, beverage, or otherwise advertise for the sponsor during official team activities and limits team activities to not exceed 20 hours per week during the season and eight hours per week during the off-season.

Post secondary institutions that enter into commercial agreements shall conduct a financial development program once per year for their athletes.

This bill has an effective date of July 1, 2021.

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Attorney General
Department of Higher Education and Workforce Development
Missouri Office of Prosecution Services
University of Missouri System
Northwest Missouri State University
University of Central Missouri
State Technical College of Missouri



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March 6, 2020



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March 6, 2020