



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 60** SLS 21RS 4
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|-------------------------------------|---------|----------------------------|
| Date: June 7, 2021 | 9:32 AM | Author: CONNICK |
| Dept./Agy.: Higher Education | | |
| Subject: Student Athletes | | Analyst: Tim Mathis |

AMUSEMENTS/SPORTS RE1 INCREASE SG EX See Note Page 1 of 1
 Provides relative to the compensation of intercollegiate athletes for the use of their name, image, or likeness. (7/1/21)

Proposed legislation allows students participating in intercollegiate athletics to earn compensation as a result of the use of the student's name, image, or likeness, and provides that such compensation must be commensurate with market value. Prohibits any compensation in exchange for athletic performance or attendance. Prohibits institutions, affiliates, or staff from providing compensation for an athlete's name, image, or likeness. Prohibits a post-secondary institution from preventing or restricting an intercollegiate athlete from earning compensation for the use of his or her name, image, or likeness, unless it conflicts with existing sponsorship agreements or institutional values. Such compensation shall not affect the athlete's grant-in-aid or athletic eligibility. Provides for legal representation of student athletes. Requires post-secondary institutions to conduct a financial literacy and life skills workshop for a minimum of five hours at the outset of an athlete's first and third academic years. Provides that implementation of the proposed legislation shall not occur unless a postsecondary education management board adopts policies. Effective upon governor's signature.

| EXPENDITURES | <u>2021-22</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | | | | | | |
| REVENUES | <u>2021-22</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>5 -YEAR TOTAL</u> |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There will be increased expenditures for increased workload to ensure compliance and to provide the required financial literacy and life skills workshops, however this will vary by institution. Institutions anticipate that increased expenditures will be funded using athletics self-generated revenues. Implementation is subject to the adoption of policies by each postsecondary education management board. The LFO assumes this will occur within one year of the bill's passage; costs may be reduced or delayed based on when institutions choose to adopt such policies.

There will be increased expenditures for certain institutions associated with staffing needs to ensure compliance with the provisions of the law. For illustrative purposes, the LSU A&M athletics program anticipates a workload increase that will require additional staff beginning in FY 22 as follows: \$225,000 for three coordinator positions at \$75,000 each (\$51,635 salary plus 45% related benefits of \$23,365); \$50,000 for operating expenses for travel, acquisitions, software, and other costs associated with the financial literacy workshop; and \$75,000 for professional services to hire a consulting firm for guidance on issues and execution of the name, image, and likeness program. Other institutions have indicated that they do not anticipate a significant impact because their intercollegiate sports programs are not at a level where their athletes are sought for promotional purposes, or that they anticipate any potential workload adjustments can be absorbed with their current staff.

There will be increased expenditures for institutions to provide annual financial literacy workshops. Institution estimates range from \$10,000 to \$115,000, based on the anticipated staffing needs, educational materials, software, and workshop speakers. Other institutions that already provide a financial literacy program for student athletes may need to incorporate additional material to comply with the proposed legislation.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
 Alan M. Boxberger
 Staff Director