



February 23, 2020

SUMMARY OF BILL: Prohibits a public institution of higher education (institution) from penalizing a student athlete in any way based on gifts, benefits, or inducements given by a booster to the student athlete or the student athlete's family. Defines penalizing to include playing or not playing an athlete, and awarding or not awarding a scholarship.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Passage of the proposed legislation will place public institutions of higher education that participate in intercollegiate athletic competition as a member of the National Collegiate Athletic Association (NCAA) at risk of incurring costly fines and penalties including probationary periods, recruiting restrictions, scholarship reductions, vacation of records, and bans on postseason competition, all of which could result in significant expenditures and decreases in revenue to the institutions. In addition, approximately \$45,000,000 in recurring funding for the University of Tennessee (UT) Knoxville and an amount exceeding \$10,000,000 in recurring funding for the other two UT institutions and the Locally Governed Institutions will become jeopardized upon repeat offenses by the institutions.

Assumptions:

- Bylaws of the National Collegiate Athletic Association (NCAA) prohibit boosters from providing “extra benefits” to a student-athlete, or a student athlete’s friends, relatives, or guardians.
- Extra benefits can include a wide range of gifts, benefits, activities, or inducements but is generally defined as a benefit that is not available to the institutions other students, or their relatives or friends, or to a particular segment of the student body determined on a basis unrelated to athletics ability.
- A student athlete is ineligible from competition from the point the student athlete or a relative of the student athlete receives an extra benefit until they are reinstated by the NCAA.
- A member institution of the NCAA is subject to fines and penalties for every game an ineligible student athlete participates in an athletic competition.
- Prohibiting institutions from penalizing student athletes in the manner of not playing the athlete will put the institutions at risk of incurring fines and penalties.

- The NCAA requires each member institution to maintain “institutional control”, which means that each institution is responsible for monitoring all university staff, student athletes, and other individuals or groups, including boosters, to ensure that they are in compliance with all rules and regulations of the NCAA.
- Repeat instances in which an institution is found to lack institutional control subjects the institution to more severe fines and penalties.
- All cases of violations of NCAA regulations and the resulting penalties are decided on a case-by-case basis by a Committee on Infractions - an independent administrative body comprised of volunteers from member institutions and conferences, and members of the public with legal training.
- Any fiscal impact to institutions of higher education as a result of this legislation depends on the future actions of the institutions’ staff, boosters, student athletes, the student athlete’s family members, and the NCAA Committee on Infractions.
- However, continued repeat offenses will eventually place institutions at risk of expulsion from the NCAA, and jeopardize funding from their respective conferences.
- Based on information provided by the University of Tennessee (UT), the total amount of annual Southeastern Conference funding for UT Knoxville is approximately \$45,000,000.
- The total amount that may be jeopardized for the other two UT institutions and the locally-governed institutions (LGIs) for noncompliance with and repeat violations of NCAA regulations is reasonably estimated to exceed \$10,000,000 per year.
- There may be an additional decrease in state revenue for UT institutions and LGIs if institutions are unable to compete in certain athletic events, resulting in significant losses to ticket sales, merchandise sales, donations, and licensing agreements.
- The timing and extent of any loss of funding for UT and LGIs is dependent upon future booster activity and actions by the NCAA regarding fines and penalties for such activity.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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