



DEPARTMENT OF AUDITS AND ACCOUNTS

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Greg S. Griffin
STATE AUDITOR
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January 13, 2020

Honorable Sandra Scott
State Representative
611-D Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 49 0020)

Dear Representative Scott:

This bill would amend state law to provide student athletes with stipends for monthly participation in intercollegiate athletics, for participating in promotional materials by or on behalf of postsecondary educational institutions, and for the sale by or on behalf of postsecondary educational institutions of items associated with student athletes.

As currently written, implementing this bill would have no fiscal impact to the state. According to the University System of Georgia (USG), USG institutions are not authorized to use appropriated funds for scholarships or stipends. Athletic budgets are funded predominantly by student fees at all USG institutions, and as result, institutions may raise student fees to pay for stipends for student athletes.

The Technical College System of Georgia (TCSG) indicated the bill would not apply to its student athletes because they participate in the National Junior College Athletic Association, which was not listed as a covered athletic association in the bill language. However, staff noted that, if it did apply, state funds would not be used; colleges would be instructed to use athletic fee revenue, gate or concessions revenue earned at home games, and other discretionary funds earned at the college level.

While not paid with state funds, institutions would have to raise approximately \$37.5 million per academic year to provide stipends to the approximately 5,100 student athletes at the 20 USG institutions that participate in the athletic associations listed in the bill.¹ Because information was not available, this estimate does not include additional stipends related to usage of student athletes' names, images or likenesses in promotional materials, or merchandise sales.

¹ This estimate is based on stipends being provided to students over a period of a 9-month academic year (Fall and Spring semesters). The amount is not inclusive of potential stipends to student athletes who are enrolled in private post-secondary institutions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in blue ink, appearing to read "Kelly Farr".

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/kpb