FINAL BILL REPORT SSB 6493

C 292 L 18

Synopsis as Enacted

Brief Description: Increasing transparency and accountability for intercollegiate athletic programs.

Sponsors: Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Billig, Palumbo, Ranker, Carlyle, Hasegawa and Kuderer).

Senate Committee on Higher Education & Workforce Development House Committee on Higher Education

Background: <u>Laws Pertaining to Intercollegiate Athletics</u>. In 1989, the Legislature authorized the use of student fees to achieve gender equity in intercollegiate athletics. SHB 2020 provided that a total dollar amount and tuition and fee waivers, not to exceed 1 percent, may be used for the purpose of achieving or maintaining gender equity in intercollegiate athletics. In addition, the bill required that equitable equipment, services, insurance, scholarships, and benefits must be provided to male and female athletes. Since 1989, the Legislature has considered relatively few pieces of legislation pertaining to intercollegiate athletics.

Operational Funding of Intercollegiate Athletics. Mandatory student fees for intercollegiate athletics are common across the country. In Washington, most colleges and universities dedicate a portion of the service and activities fee to intercollegiate athletics. Additional sources of revenue include tuition, private fundraising, sponsorship contracts, and television contracts. The size and scope of athletic budgets vary across programs and the divisions where each of the programs compete. For comparison, the budgets for the Division I-A programs at the University of Washington exceeded \$100 million in 2017, with Washington State University spending nearly \$70 million. For the non-Division IA collegiate athletic programs, revenues to support intercollegiate athletics are comprised mostly of institutional sources including student tuition and fee dollars. Eastern Washington University, a Division I-AA program, spent just under \$10 million on athletics in 2017. Central Washington University, a Division II athletic program, had an athletic budget of under \$5 million in 2017. The remaining institutions of higher education spend less than \$1.25 million in the annual operation of athletic programs.

Summary: The boards of trustees or regents at institutions of higher education whose intercollegiate athletic programs experienced a deficit—as defined by operating costs exceeding the aggregated revenue directly generated by the program plus any transfers of

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reserves that were originally generated directly by the program—must approve in an open public meeting:

- expenditures exceeding \$250,000; and
- transfers of funds exceeding \$250,000.

If the intercollegiate athletic program experienced an operating deficit in the previous year; the board of trustees or regents must:

- approve a plan to prevent future deficits; and
- post the financial statements of the program for the three prior fiscal years.

Votes on Final Passage:

Senate 46 1 House 95 3 (House amended) Senate 49 0 (Senate concurred)

Effective: June 7, 2018