

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 31 High School Athletics

SPONSOR(S): Spano

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Education Appropriations Subcommittee	12 Y, 0 N	Dobson	Heflin
2) Education Committee		Cherry	Mizereck

SUMMARY ANALYSIS

The Florida High School Athletic Association (FHSAA) is statutorily designated as the governing nonprofit organization for interscholastic athletics in Florida public schools in grades 6 through 12. FHSAA receives revenue from a variety of sources, including membership dues, administrative fees, fines, corporate sponsorships, royalties, sanctioning fees, athletic event and ticket sales, and interest on investments.

The bill increases accountability over the FHSAA by providing that special event fees, sanctioning fees, and contest receipts annually collected by the Florida High School Athletic Association (FHSAA) may not exceed the actual cost of performing the function that is the basis of the fee.

The bill also allows member schools to participate in the FHSAA on a per sport basis and prohibits the FHSAA from subjecting non-members to retributory or discriminatory treatment.

The bill does not have a fiscal impact on state or local government.

The bill takes effect July 1, 2016.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION

Florida High School Athletic Association

The Florida High School Athletic Association (FHSAA) is statutorily designated as the governing nonprofit organization for interscholastic athletics in Florida public schools in grades 6 through 12. The FHSAA is not a state agency, but is assigned quasi-governmental functions. If the FHSAA fails to meet its obligations and responsibilities, the Commissioner of Education (commissioner) is directed to designate a nonprofit organization to manage interscholastic athletics with the approval of the State Board of Education.¹

Revenue and Fiscal Accountability

FHSAA receives revenue from a variety of sources, including membership dues, administrative fees, fines, corporate sponsorships, royalties, sanctioning fees, athletic event and ticket sales, and interest on investments. FHSAA has made efforts to reduce dues charged to member schools, in favor of other sources of revenue.² Among other things, FHSAA charges sanctioning fees for multi-team athletic events involving member schools held by a corporation or promoter. These fees range from \$2,300 per every two teams for football jamborees to \$60 per every four teams in sports like bowling or cheerleading.³

The law requires the FHSAA to have an annual financial audit⁴ of its accounts and records by an independent certified public accountant retained by it and paid from its funds. The accountant must furnish a copy of the audit report to the Auditor General. Additionally, the FHSAA must keep records of all revenues and expenditures; these records must be open for inspection by the Auditor General.⁵

Membership

Any high school, middle school, or combination school,⁶ including charter schools, virtual schools, private schools and home education cooperatives,⁷ may become a member of the FHSAA. Membership is not mandatory for any school.⁸ FHSAA may not deny or discourage interscholastic competition between member and nonmember Florida schools, including members of another athletic governing organization.⁹ However, FHSAA member schools may not join other athletic governing associations or participate in FHSAA sanctioned activities on a per sport basis.¹⁰

B. EFFECT OF PROPOSED CHANGES:

Accountability

The bill specifies that FHSAA may not collect fees in excess of the annual cost of performing the function that is subject to or justifies the fee.

¹ Section 1006.20(1), F.S.

² Understanding the Financial Structure of the FHSAA, Hearing before the House Education Committee (Feb. 18, 2015).

³ FHSAA, 2015-16 Event Sanction Fees for Third Party Direct Contract with FHSAA (2014-15), available at http://www.fhsaa.org/sites/default/files/orig_uploads/forms/2015-16_third_party_fees.pdf.

⁴ “Financial audit” means an examination of financial statements in order to express an opinion on the fairness with which they are presented in conformity with generally accepted accounting principles and an examination to determine whether operations are properly conducted in accordance with legal and regulatory requirements. Section 11.45(1)(c), F.S.

⁵ Section 1006.19, F.S.

⁶ A combination school is any school that serves both students in high school and the middle school grades; elementary, middle or high school grades combined; or elementary and middle grades combined, e.g., K-12, K-8, 6-12, or 7-12. Bylaw 3.2.2.3, FHSAA.

⁷ A “home education cooperative” is a parent-directed group of individual home education students that provides opportunities for interscholastic athletic competition to those students and may include students in grades 6 through 12. Bylaw 3.2.2.4, FHSAA.

⁸ Section 1006.20(1), F.S.

⁹ *Id.*

¹⁰ Bylaw 3.3.1, FHSAA. Member school must adopt the FHSAA bylaws annually as the rules governing its interscholastic athletic programs.

Membership

The bill authorizes schools to join FHSAA on a per-sport basis. Schools would also be allowed to join other organizations for some sports, while maintaining membership in FHSAA for others. The FHSAA is prohibited from discriminating against its member schools that join other associations for a sport for which they are not a member of the FHSAA. The commissioner may identify other associations that govern interscholastic athletic competition that comply with the requirements of the National Federation of State High School Associations (NFSHA) and the FHSAA may not unreasonably withhold its approval of an application to become a member of the NFSHA filed by an association that meets the requirements of the NFSHA.

C. SECTION DIRECTORY:

Section 1. Amends s. 1006.20, F.S.; relating to athletics in public k-12 schools; revises FHSAA revenue and membership requirements.

Section 2. Provides an effective date of July 1, 2016.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill requires special event fees, sanctioning fees and gate receipts collected annually by the FHSAA to reflect the actual cost of the activity or justification for the fee. This may reduce public school spending on athletic events.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill requires special event fees, sanctioning fees and gate receipts collected annually by the FHSAA to reflect the actual cost of the activity or justification for the fee. This may result in reduced sanctioning fees for corporate sponsors and promoters that organize high school athletic events.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal documents.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.