

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 482
Appropriations

(Delegate Walker, *et al.*)

Higher Education - Maryland Football Act

This bill requires the University of Maryland, College Park (UMCP) to schedule and play a regular season football game at least once every four years against Morgan State University (MSU) and Towson University (TU). The football games may be played on the campus of either of the competing institutions, or at a neutral site in the State mutually agreed on by the athletic directors of the institutions involved.

The bill takes effect July 1, 2010.

Fiscal Summary

State Effect: None. Due to the relative size and competitiveness of their athletic programs, UMCP will pay MSU and TU a fee from its auxiliary funds for the required games, which will be auxiliary revenues for MSU and TU. However, without this bill the institutions would likely schedule games with other similarly competitive institutions resulting in a similar fiscal impact.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: An institution's football schedule is generally set by the institution's athletic director.

Background: The highest level of intercollegiate athletics sanctioned by the National Collegiate Athletic Association (NCAA) is known as Division I. Division I schools are generally the major collegiate athletic powers, with larger budgets, more elaborate facilities, and higher numbers of athletic scholarships in comparison to Division II and III. For football, Division I is further broken down into the Football Bowl Subdivision (FBS) and Football Championship Subdivision (FCS). NCAA determines what subdivision a school's football team belongs to based on factors including game attendance and athletic scholarships. FBS is more competitive and generally better funded than FCS. FBS and FCS schools playing each other regularly became possible in spring 2005 when NCAA ruled that teams could schedule 12 regular-season games (up from 11) beginning in the 2006 season.

Higher education athletic programs are supported by auxiliary revenues, including ticket sales, student fees, and other revenues generated by athletic events. Traditionally when FBS and FCS schools compete, the FBS schools pay FCS schools a fee (known as a guarantee), which is a major source of support for the smaller FCS programs. Fees are negotiable and generally range from \$100,000 to \$350,000.

UMCP is scheduled to play MSU during the 2010 regular season and TU in 2011; therefore, UMCP will be required to play MSU again by 2014 and TU again by 2015. TU reports that its regular football season has already been scheduled through 2014.

State Fiscal Effect: Due to the relative size and competitiveness of their athletic programs, UMCP will pay MSU and TU a fee from its auxiliary funds for the required games which will likewise be auxiliary revenues for MSU and TU. However, UMCP auxiliary expenses will not be impacted significantly because currently UMCP schedules at least one game each season against an FCS school. Any game UMCP would schedule against an FCS school would have a comparable fiscal impact, although the specific fee for each game is negotiated between the institutions. Similarly, scheduling a game against UMCP once every four years will not significantly impact the auxiliary revenues of MSU or TU because currently the institutions schedule a game with another FBS school with a comparable fiscal impact.

Additional Information

Prior Introductions: None.

Cross File: SB 705 (Senator Exum) – Education, Health, and Environmental Affairs.

Information Source(s): Towson State University, Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2010
mpc/rhh

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