



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #133

Badger State Games Assistance (DOA -- General Agency Provisions)

CURRENT LAW

Base level funding of \$50,000 GPR annually is available under a separate Department of Administration appropriation that provides financial assistance to the Badger State Games. Under s. 16.40(15) of the statutes, DOA is required to provide this financial assistance to the Games.

GOVERNOR

Continue \$50,000 GPR annually of base level funding for Badger State Games assistance.

DISCUSSION POINTS

1. The Badger State Games is an annual summer and winter amateur sporting event open to Wisconsin residents. The games began in 1985 and consist of both regional and statewide Olympic-style competition. Over 18,000 athletes competed in the 2000 Summer Games and nearly 6,400 athletes competed in the 2000 Winter Games. The Badger State Games are governed by the Wisconsin Amateur Sports Corporation, a not-for-profit corporation.

2. Table 1 identifies the level of state support that has been provided to the Games since the 1987-88 fiscal year when funding for this purpose was first authorized.

TABLE 1

State Support for the Badger State Games

<u>Fiscal Year</u>	<u>GPR Support</u>
1987-88	\$35,000
1988-89	0
1989-90	0
1990-91	115,000
1991-92	50,000
1992-93	0
1993-94	50,000
1994-95	50,000
1995-96	50,000
1996-97	50,000
1997-98	25,000
1998-99	25,000
1999-00	50,000
2000-01	50,000
2001-02	50,000*
2002-03	50,000*

*Continuation of base level funding recommended.

3. The Wisconsin Amateur Sports Corporation's budget for the summer and winter games that took place in the 2000-01 fiscal year (February and June of 2001) is based on total funding commitments of \$1,315,000 from the following sources:

TABLE 2

**Badger State Games Funding
(2000-01)**

<u>Source of Funds</u>	<u>Amount</u>	<u>% of Total</u>
Sponsorships	\$762,000	57.9%
Entry Fees	440,300	33.5
State Assistance	50,000	3.8
Other Government Grants	32,000	2.4
Merchandise Sales	12,000	0.9
Interest Earnings	11,500	0.9
Athlete Contributions	4,000	0.3
Miscellaneous Receipts	<u>3,500</u>	<u>0.3</u>
Total	\$1,315,300	100.0%

4. It is anticipated that Badger State Games annual revenues during the 2001-03 biennium will be generally comparable to those described above in Table 2. The \$50,000 annual funding commitment from the state represents approximately 3.8% of the Badger State Games' current budget. According to Badger State Games officials, the state grant is not earmarked for any specific purpose or activity but helps keep participant fees lower.

5. Since the Games are almost entirely supported by private contributions and participant fees (91.4% of total revenues), a question can be raised as to whether the continuation of state funding at this time is essential for the event's financial well-being. It could be argued that if additional funding is needed by the Games, additional private contributions should be solicited and participant fees adjusted. Further, one could argue that the Games have now become institutionalized and the state's modest subsidy should be phased-out or eliminated outright.

6. It will be noted that in the past, the state has, from time-to-time, provided no assistance to the Badger State Games (in fiscal years 1988-89, 1989-90 and 1992-93). In other fiscal years (after 1990-91 and after 1996-97) the state has reduced the amount of assistance provided, compared to the preceding fiscal year.

7. Consequently, several options would appear to be available to the Committee:

- First, the state could end its assistance to the Badger State Games altogether by deleting \$50,000 GPR in both 2001-02 and 2002-03 and repealing the Badger State Games assistance appropriation.

- Second, the state could begin to phase-out its contribution to the Games by providing only \$37,500 GPR in 2001-02 and \$12,500 GPR in 2002-03. The Badger State Games assistance appropriation would be repealed on July 1, 2003, under this alternative.

- Third, the state could provide a reduced level of on-going funding for the Games by providing \$25,000 GPR in both 2001-02 and 2002-03.

8. On the other hand, it could be argued that some state funding for the Badger State Games is appropriate since the Games provide good public relations for the state, promote sporting competition and healthy activities. Consequently, providing some state assistance to the Games signals state government support for these concepts. Badger State Games officials also indicate that the regional locales for the games provide economic benefits to the communities where the games are held.

ALTERNATIVES

1. Repeal the appropriation providing state assistance to the Badger State Games and the statutory requirement that DOA provide such assistance and delete base level funding of \$50,000 GPR in both 2001-02 and 2002-03.

Alternative 1	GPR
2001-03 FUNDING (Change to Bill)	- \$100,000

2. Delete base level funding of \$12,500 GPR in 2001-02 and \$37,500 GPR in 2002-03 to begin the phase-out of state assistance to the Badger State Games. Repeal the appropriation providing state assistance to the Badger State Games and the statutory requirement that DOA provide such assistance, effective July 1, 2003.

Alternative 2	GPR
2001-03 FUNDING (Change to Bill)	- \$50,000

3. Delete base level funding of \$25,000 GPR annually provide a reduced level of on-going funding for the Games (\$25,000 GPR in both 2001-02 and 2002-03).

Alternative 3	GPR
2001-03 FUNDING (Change to Bill)	- \$50,000

4. Take no action.

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