



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #956

UW-Madison Intercollegiate Athletics (University of Wisconsin System)

[LFB 2001-03 Budget Summary: Page 689, #22]

CURRENT LAW

The UW-Madison Division of Intercollegiate Athletics has an adjusted base of \$698,900 GPR and \$44,160,400 PR of annual funding.

GOVERNOR

Provide \$6,800 GPR annually to UW-Athletics for a total GPR appropriation of \$705,700 annually. Provide \$1,341,900 PR in 2001-02 and \$1,221,200 PR in 2002-03, for total funding of \$45,502,300 PR in 2001-02 and \$45,381,600 PR in 2002-03 for UW-Madison athletics.

DISCUSSION POINTS

1. The GPR-funded general program operations appropriation for the Division of Intercollegiate Athletics at UW-Madison was created by 1989 Act 31, when the Division was experiencing difficulty generating sufficient program revenue to fully fund the activities of the athletics department. The appropriation is primarily used to fund 10.5 GPR positions for assistant coaches for non-income sports. There are a total of 184.96 PR positions for UW-Madison athletics.

2. UW-Madison officials have requested that several adjustments in PR expenditure and position authority be made to the Governor's budget recommendations. The requested adjustments for 2001-02 include unanticipated changes in expected annual expenditures related to the following: (a) Camp Randall utilities (\$812,000); (b) building project expenditure delays for the women's hockey locker room and Breese Terrace fence from 2000-01 to 2001-02 (\$850,000); (c) four new positions (\$258,000); (d) coaching staff retention package (\$185,000); (e) softball field lights gift (\$200,000); (f) camps participation (\$220,000); (g) video equipment (\$150,000); (h)

assumption of radio and television coach contracts negotiation and payment (\$200,000); (i) crew boat house (\$400,000); and (j) miscellaneous capital projects (\$252,100). Although these funding amounts are specific to 2001-02, the UW requests a total of \$3,527,100 PR expenditure authority annually in addition to the Governor's recommendation, for a total of \$49,029,400 in 2001-02 and \$48,908,700 in 2002-03, in order to establish a budget for each year of the 2001-03 biennium.

3. The costs of the Camp Randall Stadium renovation project will result in a significant increase in PR expenditures for 2002-03, however these costs were are included since the final design of the project and total cost is yet to be determined. Currently, the projected cost of the renovation that will be incurred in 2002-03 is \$16.2 million. UW officials indicate that when the amount is finalized, it will be submitted for Committee approval under s. 16.515 of the statutes.

4. UW also requests an additional 4.0 PR positions for the following: (a) a special assistant to the chancellor who will oversee National Collegiate Athletic Association (NCAA) regulations compliance, academic affairs and other assigned administrative duties; (b) an NCAA compliance education, training and monitoring position; (c) a sports medicine position to handle medical records, health insurance and billing; and (d) a trainer to staff novice crew and the men's and women's track and cross country teams. The first two positions listed above result from the recent NCAA investigation into rules violations by UW athletes who received discounts on purchases at the Shoe Box shoe store, and the other two are related to staffing in the sports medicine area.

5. It may be desirable to eliminate the GPR funding for UW-Madison intercollegiate athletics. Although the GPR is primarily used for assistant coaches in non-income sports, the Division overall is now experiencing substantial program revenue increases in ticket sales, conference revenues and donations. For example, for 2000-01, projected ticket sales revenue exceeds the 1998-99 total by nearly \$3.2 million. In addition, the Division projects increasing operating reserves this year, with forecasts that the reserves will significantly exceed five-year plan estimates. One could argue that the Division should once again be completely self-sustaining and independent of taxpayer support and that a subsidy for an otherwise profitable, nonacademic program would not be a prudent expenditure of state funds given the limited resources available to the Legislature in this budget process. The Committee could provide PR expenditure authority equal to the amount of GPR that would be deleted, in order to avoid reducing the overall revenue available to the Division in the biennium.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$6,800 GPR annually and \$1,341,900 PR in 2001-02 and \$1,221,200 PR in 2002-03.

2. Modify the Governor's recommendation and approve UW's revised request for PR expenditure and position authority. Provide an additional \$3,527,100 annually and 4.0 positions, for a total of \$49,029,400 in 2001-02 and \$48,908,700 in 2002-03 and 188.96 positions.

| <u>Alternative 2</u> | <u>PR</u> |
|---|-------------|
| 2001-03 FUNDING (Change to Bill) | \$7,054,200 |
| 2002-03 POSITIONS (Change to Bill) | 4.00 |

3. Modify the Governor’s recommendation to delete \$705,700 GPR annually and 10.5 GPR positions and provide \$705,700 PR annually and 10.5 PR positions. In addition, provide \$3,527,100 PR annually and 4.0 positions, for a total of \$49,735,100 in 2001-02 and \$49,614,400 in 2002-03 and 199.46 PR positions.

| <u>Alternative 3</u> | <u>PR</u> | <u>GPR</u> | <u>Total</u> |
|---|-------------|---------------|--------------|
| 2001-03 FUNDING (Change to Bill) | \$8,465,600 | - \$1,411,400 | \$7,054,200 |
| 2002-03 POSITIONS (Change to Bill) | 14.50 | - 10.50 | 4.00 |

4. Maintain current law.

| <u>Alternative 4</u> | <u>PR</u> | <u>GPR</u> | <u>Total</u> |
|---|---------------|------------|---------------|
| 2001-03 FUNDING (Change to Bill) | - \$2,563,100 | - \$13,600 | - \$2,576,700 |

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