



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #827

UW-Madison Intercollegiate Athletics (UW System)

Bill Agency

[LFB 2007-09 Budget Summary: Page 575, #14]

CURRENT LAW

The UW-Madison division of intercollegiate athletics has an adjusted annual base budget of \$63,689,500 PR. This figure excludes debt service related to athletics. In November, 2006, the Joint Finance Committee approved a one-time increase in expenditure authority of \$5,861,900 for the UW-Madison division of intercollegiate athletics in 2006-07.

GOVERNOR

Provide \$9,873,200 PR in 2007-08 and \$13,477,200 PR in 2008-09 for: (a) general program operations (\$5,050,400 in 2007-08 and \$8,544,600 in 2008-09); (b) National Collegiate Athletic Association (NCAA) legislative changes permitting additional home games (\$2,197,800 in 2007-08 and \$2,307,600 in 2008-09); and (c) University Ridge golf course (\$2,625,000 annually). This program revenue includes receipts from athletic events, camps, clinics, the University Ridge golf course, and gifts.

DISCUSSION POINTS

1. In November, 2006, the Joint Finance Committee approved a one-time increase in expenditure authority of \$5,861,900 PR in 2006-07 for the UW-Madison division of intercollegiate athletics. This funding included \$2,500,000 for the expansion of the University Ridge golf course, \$2,093,100 for expenses related to additional home games and increases in the cost of guarantees, and \$1,268,800 for operating expenses related to Camp Randall and the Porter boathouse. The

Governor's budget provides that this funding be added to Division's base budget as ongoing expenditure authority. In addition, the Governor's budget provides a 5% increase in funding for the golf course expansion in 2007-08, 5% increases for expenses related to the additional home games and guarantees in each year of the biennium, and a 5.8% increase in 2007-08 and a 5.1% increase in 2008-09 for general program operations expenditures. According to Division staff, the annual increases provided for general program operations expenditures are greater than those for the golf course expansion and the additional home games and guarantees because they include increases based on actual salaries.

2. Due to changes in NCAA rules, the UW-Madison football team played an additional home game and the UW-Madison men's basketball team played two additional home games in 2006-07. These additional home games have been permanently added to the football and men's basketball teams' schedules and will be played in 2007-08 and 2008-09. The Division requests additional expenditure authority to cover the costs associated with these additional home games, including event management, concessions, and other costs. In addition, market forces have increased the amount that UW-Madison is being required to pay in guarantees to visiting teams. The Division indicates the guarantees paid for all teams, including football, men's basketball, women's basketball, and men's hockey, increased by \$1,089,200 in 2006-07.

3. Increases in ticket and concession revenues would fund these additional football and men's basketball home games and the increased guarantees paid to visiting schools. The Division estimates that ticket sales will increase by \$2,784,900 in 2006-07. This increase in ticket revenues is primarily attributable to the additional home games played by both the football and men's basketball teams. Similarly, concession revenues are estimated to increase by \$328,100 in 2006-07. In future years, increases in ticket prices would contribute to revenues supporting these expenditures.

4. The Governor's budget provides that expenditure authority related to the operation of Camp Randall stadium and the Porter boathouse and approved by the Joint Finance Committee in November, 2006, be added to the division's ongoing base budget. The funds approved by the Joint Finance Committee supplemented the existing operations budgets of these facilities and provided for unanticipated increases in operational costs resulting from their renovations.

5. According to UW System budget documents submitted in September, 2006, the Division planned to make three major improvements to the existing University Ridge golf course. First, the Division would lengthen the existing golf course and increase its training capabilities in order to make the golf course the primary training and competition facility for its men's and women's golf teams. Second, the Division would create a competition course for its men's and women's cross country teams using undeveloped land on the University Ridge site. The men's and women's cross country teams currently do not have a home course available for practice and competition. Lastly, the Division would add a nine-hole academy course. This project was scheduled to be completed in 2007-08.

6. However, according to Division of Intercollegiate Athletics staff, the UW-Madison

Athletics Board has decided to scale back the expansion of the University Ridge golf course and forgo plans to create an academy course. As a result, no additional expenditure authority above that provided by the Joint Finance Committee in November, 2006, would be required for the expansion of the golf course. Accordingly, the Committee could decide reduce the expenditure authority requested for the Division of \$2,625,000 annually. This is equal to the amount requested for the expansion of the golf course.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

ALT 1	Change to Bill Funding	Change to Base Funding
PR	\$0	\$23,350,400

2. Modify the Governor's recommendation to decrease PR expenditure authority by \$2,625,000 annually. This would reflect the UW Athletics Board decision to scale back the expansion of the University Ridge golf course and forgo plans to create an academy course.

ALT 2	Change to Bill Funding	Change to Base Funding
PR	-\$5,250,000	\$18,100,400

3. Delete provision.

ALT 3	Change to Bill Funding	Change to Base Funding
PR	-\$23,350,400	\$0

Prepared by: Emily Pope