



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #838

### **Veterans Museum Funding (DVA -- General Agency Provisions)**

#### *Bill Agency*

[LFB 2005-07 Budget Summary: Page 581, #9 thru 12]

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#### **CURRENT LAW**

The Department of Veterans Affairs (DVA) maintains the Wisconsin Veterans Museum in Madison and a National Guard Museum at Volk Field. The Veterans Museum is located in the same building that house the Department's central offices. The facility contains exhibits, displays and other presentations related to Wisconsin's participation in U.S. military actions from the Civil War to the present. In addition, the Department operates a National Guard Museum at Volk Field at Camp Williams near Camp Douglas, Wisconsin. Base operational funding and staffing for Museum operations is \$300,000 GPR and \$1,546,100 SEG and 11.45 SEG positions. In addition, the Department may expend revenues received from the sale of items at the Veterans Museum for operation of the Museum.

#### **GOVERNOR**

Provide a total of \$223,800 GPR in 2007-08 and \$235,800 GPR in 2008-09 for four initiatives related to the museum operational costs as follows: (a) one-time funds of \$150,000 GPR in 2008-09 for the development of an exhibit on the Iraq War at the Wisconsin Veterans Museum in Madison; (b) one-time funding of \$143,000 GPR in 2007-08 for various audio and visual improvements to the Veterans Museum; (c) \$55,700 GPR in 2007-08 and \$65,200 GPR in 2008-09 and 1.0 GPR classified position annually for a curator at the Veterans Museum; and (d) \$25,100 GPR in 2007-08 and \$20,600 GPR in 2008-09 and 0.2 GPR classified position annually for a curator at the Wisconsin National Guard Museum at Volk Field. In addition, \$4,600 SEG annually is provided for standard budget adjustments.

## DISCUSSION POINTS

1. Over the last several biennia the Legislature has funded portions of the Veterans Museum costs either solely from the veterans trust fund (SEG) or with a mixture of general fund (GPR) and veterans trust fund monies. Currently, 83.7% and all of the positions are funded from the trust fund, while 16.3% of the operational costs are borne from the general fund. Base level funding is budgeted as follows: (a) \$827,700 SEG for salaries and fringe benefits; (b) \$300,000 GPR and \$697,900 SEG for supplies and services; (c) \$10,500 SEG for permanent property; and (d) \$10,000 SEG for flag restoration.

2. Historically, the Veterans Museum and before that, its predecessor, the Veterans Memorial Hall in the North Wing of the State Capitol have been funded from the veterans trust fund. However, the Museum has been supported by several fund sources in recent years.

3. Beginning in the 1996-97 fiscal year, once the Veterans Museum had become established on Capitol Square and had become one of the most popular museum venues in the state, a significant amount of GPR funding was provided to the support Museum operations.

4. The following table summarizes the funding history for Museum operations since the 1993-94 fiscal year and indicates the amounts recommended by the Governor for the Museum in SB 40.

### Budgeted Amounts for Veterans Museum Operations (By Funding Source)

Fiscal Year	GPR		PR		SEG		Total
	Total	Percent	Total	Percent	Total	Percent	
1993-94	\$0	0.0%	\$0	0.0%	\$286,000	100.0%	\$286,000
1994-95	0	0.0	0	0.0	335,600	100.0	335,600
1995-96	0	0.0	0	0.0	432,100	100.0	432,100
1996-97	211,800	49.4	0	0.0	216,800	50.6	428,600
1997-98	455,600	94.6	0	0.0	26,100	5.4	481,700
1998-99	458,200	94.6	0	0.0	26,100	5.4	484,300
1999-00	765,000	71.3	0	0.0	308,500	28.7	1,073,500
2000-01	608,300	63.6	0	0.0	347,700	36.4	956,000
2001-02	761,900	44.2	228,700	13.3	735,000	42.6	1,725,600
2002-03	689,800	43.1	176,900	11.1	732,900	45.8	1,599,600
2003-04	0	0.0	0	0.0	1,671,600	100.0	1,671,600
2004-05	0	0.0	0	0.0	1,623,000	100.0	1,623,000
2005-06	300,000	16.7	0	0.00	1,494,600	83.3	1,794,600
2006-07	300,000	16.3	0	0.00	1,546,100	83.7	1,846,100
2007-08*	523,800	25.2	0	0.00	1,550,700	74.8	2,074,500
2008-09*	535,800	25.7	0	0.00	1,550,700	74.3	2,086,500

\*Recommended by the Governor.

5. During the 1997-99 fiscal biennium, some 94.6% of the Museum's operating budget had come to be funded from GPR. Following that biennium, as the state began to experience increasing pressures on the general fund, the amount of GPR funding, as a percentage of total funding, began to decrease again. Then, commencing in the 2001-02 fiscal year, tribal gaming revenues (PR) began to be substituted for some of the GPR funding. Tribal gaming revenues were the equivalent of GPR funding, however, since the appropriation of tribal gaming revenues means a corresponding decrease in the amount of such revenues that would be credited instead to the general fund.

6. In the 2003-05 biennial budget, all tribal revenue and general fund support was eliminated for the Museum and replaced with veterans trust fund support.

7. In the 2005-07 biennial budget, the Legislature approved the transferring \$300,000 of supplies and services costs from veterans trust fund support to general fund support.

8. The principal argument for GPR funding for Museum operations has been that the facility appeals to all Wisconsin residents, presents and interprets current and past military history and exploits, and has unique educational functions with broad appeal. Since the facility has appeal beyond just Wisconsin veterans who benefit from programs funded from the veterans trust fund, general fund monies are an appropriate source of support for the Museum. Further, in the context of addressing cash balance issues relating to the veterans trust fund, partial GPR support of Museum operations would ease some of the expenditure pressures on the veterans trust fund.

9. Alternatively, it can be argued that for many years the Museum has been supported mainly from the veterans trust fund. Further, the historic use of the fund for this purpose was viewed as an appropriate source of support for Museum operations. Further, given the current condition of the state's general fund, it could be argued that the Veterans Museum should continue to be supported by the veterans trust fund if funds are available.

10. If the Committee concludes that this latter argument has merit, it could modify the Governor's recommendation, and require that all of the new programs would be supported from the veterans trust fund. This action would have the effect of deleting \$223,800 GPR and 1.20 GPR positions in 2007-08 and \$235,800 GPR and 1.20 GPR positions in 2008-09 and providing a like amount of SEG funding and position authority for each of these years.

11. Whether the Committee believes that funding should be supported from the trust fund or the general fund, the Committee could consider some modifications to the specific recommended items.

12. The bill would provide \$55,700 GPR in 2007-08 and \$65,200 GPR in 2008-09 and 1.0 GPR classified position annually for a curator at the Wisconsin Veterans Museum in Madison. Currently, the museum has 3.0 curator positions funded from the segregated veterans trust fund.

13. Currently, the Department has a marketing specialist position funded under the museum operations appropriation, which has been vacant since August 26, 2005, according to the

most recent payroll data. The Committee could consider allowing the Department to convert this position into a curator position, which would result in this position being funded from the trust fund rather than the general fund, but at no additional cost.

14. Under the bill, the Governor would provide \$25,100 in 2007-08 and \$20,600 in 2008-09 and 0.2 classified position annually for the following at the Wisconsin National Guard Museum at Volk Field: (a) \$9,400 and 0.2 position annually for salary and fringe benefits for converting the curator position from 80% to a full-time position; (b) \$11,200 annually for a 0.5 limited-term employee to work at the museum; and (c) one-time funding of \$4,500 in 2007-08 for a computer and workstation for the limited-term employee. The remaining 80% of the curator position [0.8 SEG FTE] is currently funded from the segregated veterans trust fund.

15. Under the 2005-07 biennial budget, the Department requested and the Legislature approved conversion of this curator position from 100% to 80% of a full-time position, as part of an effort to reduce the costs of the trust fund. In addition, the Legislature approved the deletion of a part-time curator position (0.50 SEG FTE). The Governor's recommendation would essentially restore the curator positions (although the part-time position would instead be allocated as an LTE) that were deleted under the 2005-07 biennial bill as part of an effort to reduce costs to the trust fund, by instead supporting the costs with GPR. The Committee could consider the appropriateness of funding curator positions from the general fund, when these positions were seen as appropriate for deletion by DVA in the last biennium.

16. Finally, the Committee could consider whether it is appropriate to have an admission fee for attendance in the veteran museum. The Department is currently allowed to sell memorabilia at the museum. The funds from these sales may be used for operational costs of the Museum. The Committee could additionally allow the Department to collect admission fees that could be used to improve the exhibits and advertise the Museum.

17. The Department has averaged 86,900 visitors over the last five years. It is estimated that the visitors are comprised of the following: (a) 47.5% walk-ins; (b) 29.7% school groups; (c) 9.6% outreach activities (such as conferences, meetings, receptions and the farmers market); and (d) 3.1% program activities (such as galas and speakers tours).

18. It could be argued that the Veterans Museum is similar to the Wisconsin Historical Museum, which is located across the street from the Veterans Museum. The Wisconsin Historical Museum charges \$4 for adults, \$3 for children under 18, and \$10 for families. School groups are charged \$4 per person, with free admission for teachers.

19. It is unknown what portion of the Veterans Museum visitors are adults versus children, nor is it known what portion of the public would decline visiting the Museum, if there was an entrance fee. However, if there was no effect on museum attendance, then there would be approximately \$86,900 of revenue for each \$1 fee assessed. This funding could help offset the costs of new displays and advertisement costs, such as the one-time funding recommended under the bill.

20. The Committee could consider creating a continuing program revenue museum

admissions appropriation that would be supported by fees set by DVA that could be used to support exhibit and advertisement costs of the Wisconsin Veterans Museum. Such an appropriation would allow the Department to expend all monies received from admission fees on expenditure areas specified by the Legislature. Assuming that DVA recovers, on average through its established fee structure, \$3 per visitor (a fee less than the adult admission fee for Historical Society Museum), and that the fee would not be implemented until January, 2008, approximately \$390,000 would be generated during the 2007-09 biennium.

21. If the Committee wished to allow the Department to collect admission, it could consider deleting one-time funding of \$150,000 GPR in 2008-09 for an Iraq War exhibit and \$143,000 GPR in 2007-08 for the following: (a) \$101,500 GPR for audio-visual system that would include digital recordings, sound effects management, audio-visual zoning (information provided based on your proximity to displays), and wireless microphones; (b) \$29,500 GPR for the replacement of seven 4' x 12' banners, used to advertise the museum; and (c) \$12,000 GPR for six water leak detection devices, two security cameras, and four access card readers for the museum. Such improvements, totaling \$293,000 during the 2007-09 biennium, could then be supported from fees assessed by the Department.

22. Alternatively, the Committee could choose to fund the upgrades provided under the bill, but allow the Department to collect admission and use the revenues for future projects.

23. Alternatively, it could be argued that the Veterans Museum is a resource for the Department to educate the public on the importance of military service and the role of Wisconsin veterans in world events. As such, no admission fee should be charged and, further, it is appropriate that the state should fund a portion of the Museum's operational costs.

**ALTERNATIVES TO BILL**

1. Approve the Governor's recommendation to provide \$223,800 GPR in 2007-08 and \$235,800 GPR and 1.20 GPR positions annually for museum operations.

ALT 1	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	\$0	0.00	\$459,600	1.20

2. Modify the Governor's recommendation by approving the additional museum operational costs with segregated funds from the veterans trust fund rather than the general fund.

ALT 2	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$459,600	- 1.20	\$0	0.00
SEG	<u>459,600</u>	<u>1.20</u>	<u>459,600</u>	<u>1.20</u>
Total	\$0	0.00	\$459,600	1.20

3. Approve the Governor's recommendation, but:

a. Delete \$55,700 GPR in 2007-08 and \$65,200 GPR in 2008-09 and 1.0 GPR position annually for a curator position at the Wisconsin Veterans Museum. Specify that the Department may convert 1.0 SEG existing marketing specialist position within the museum operations appropriation into a curator position.

ALT 3a	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$120,900	- 1.00	\$0	0.00

b. Delete \$25,100 GPR in 2007-08 and \$20,600 GPR in 2008-09 and 0.2 GPR position annually for costs at the Wisconsin National Guard Museum at Volk Field.

ALT 3b	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$45,700	- 0.20	\$0	0.00

c. Delete one-time funding of \$293,000 GPR for the following: (a) \$150,000 in 2008-09 for an Iraq War exhibit; (b) \$101,500 GPR in 2007-08 for audio-visual system that would include digital recordings, sound effects management, audio-visual zoning (information provided based on your proximity to displays), and wireless microphones; (c) \$29,500 GPR in 2007-08 for the replacement of seven 4' x 12' banners, used to advertise the museum; and (d) \$12,000 GPR in 2007-08 for six water leak detection devices, two security cameras, and four access card readers for the Wisconsin Veterans Museum.

ALT 3c	Change to Bill	Change to Base
	Funding	Funding
GPR	-\$293,000	\$0

4. Create a continuing program revenue appropriation for receipt and expenditures of the museum admission fees. Allow the Department to expend all monies received from these fees for exhibits and advertisements for the Museum. Specify that the Department establish the fees.

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