



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #805

Veterans Museum Operations Funding (DVA -- Veterans Trust Fund)

[LFB 2005-07 Budget Summary: Page 519, #11]

CURRENT LAW

The Department of Veterans Affairs (DVA) maintains the Wisconsin Veterans Museum in Madison. The 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. Base operational funding and staffing for the Museum is \$1,731,100 SEG and 12.15 SEG positions.

GOVERNOR

Provide \$300,000 GPR and delete \$300,000 SEG to reflect the conversion of a portion of the Wisconsin Veterans Museum's SEG-supported operations costs to GPR funding. The new GPR funding would support support supplies and services costs at the Museum.

DISCUSSION POINTS

1. Currently, the Wisconsin Veterans Museum is funded entirely from the segregated veterans trust fund. This base level funding is budgeted as follows: (a) \$736,300 for salaries and fringe benefits; (b) \$984,300 SEG for supplies and services; and (c) \$10,500 SEG for permanent property.

2. The Department has developed a 10-year solvency plan for the veterans trust fund. The intended purpose of the solvency plan is to ensure that the fund will have sufficient revenues available to meet its anticipated expenditures requirements from the 2004-05 fiscal year until the 2013-14 fiscal year. One element of this 10-year solvency plan is the partial conversion of funding support for the Wisconsin Veterans Museum from the veterans trust fund to the general fund.

3. The Governor has recommended that portion of Department's 10-year solvency plan that would provide \$300,000 GPR annually for supplies and services costs at the Museum and would delete a comparable \$300,000 SEG annually of funding support from the veterans trust fund.

4. 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.

5. 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.

6. 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 AB 100.

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

<u>Fiscal Year</u>	<u>GPR</u>		<u>PR</u>		<u>SEG</u>		<u>Total</u>
	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>	
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	16.7	0	0.00	1,494,600	83.3	1,794,600

*Recommended by the Governor

7. 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.

8. 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. Currently, 100% of Museum operations are supported from the trust fund.

9. 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 solvency issues relating to the veterans trust fund, partial GPR support of Museum operations at this time would ease some of the expenditure pressures on the trust fund.

10. Alternatively, it can be argued that for many years the Museum has been supported exclusively from the veterans trust fund (including the current 2003-05 biennium). Further, the historic use of the fund for this purpose was not viewed as an inappropriate 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 solely by the veterans trust fund.

11. If the Committee concludes that this latter argument has merit, it could delete the Governor's recommendation. This action would have the effect of deleting \$300,000 GPR annually and providing an additional \$300,000 SEG annually to reflect the continued funding of Museum operations solely from the veterans trust fund.

12. If the Committee concludes that the Governor's proposal to partially fund the costs of the Museum from the general fund is an appropriate element in the Department's 10-year solvency plan for the veterans trust fund and should be supported, it could approve the Governor's recommendation.

ALTERNATIVES

1. Approve the Governor's recommendation to provide \$300,000 GPR and delete \$300,000 SEG to convert a portion of the Wisconsin Veterans Museum's SEG-supported operations costs to GPR funding.

2. Delete the provision.

<u>Alternative 2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	- \$600,000	\$600,000	\$0

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