



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #809

Veterans Museum Operations Funding (Veterans Affairs -- General Agency Provisions)

[LFB 2003-05 Budget Summary: Page 460, #11]

CURRENT LAW

The Department of Veterans Affairs (DVA) maintains the Wisconsin Veterans Museum in Madison, located in the same building that houses the Department's central offices. The museum contains exhibits, displays and other presentations related to Wisconsin's participation in U.S. military actions from the Civil War to the Persian Gulf War. Base level funding for the Museum is \$692,400 GPR, \$176,900 PR from tribal gaming revenues, and \$761,900 SEG from the veterans trust fund and 9.3 GPR, 0.5 PR and 4.35 SEG positions annually.

GOVERNOR

Provide -\$16,000 GPR, \$16,300 PR, \$41,300 SEG and -0.5 GPR and 0.5 SEG position in 2002-03 and -\$16,000 GPR, -\$16,000 PR, \$25,000 SEG and -0.5 GPR and -0.5 PR position in 2004-05 to fund changed costs and staffing configurations relating to Museum operations.

DISCUSSION POINTS

1. Under the Governor's recommendations, the total all funds budget for the operation of the Veterans Museum (including standard budget adjustments) is \$1,571,600 and 11.15 positions in 2003-04 and \$1,523,000 and 10.65 positions in 2004-05. These amounts are budgeted by fund source, as follows: (a) \$601,400 GPR and 6.8 GPR positions annually; (b) \$193,200 PR and 0.5 PR position in 2003-04 and \$160,900 PR in 2004-05 from tribal gaming revenues; and (c) \$777,000 SEG and 3.85 SEG positions in 2003-04 and \$760,700 SEG and 3.35 SEG positions in 2004-05 from the veterans trust fund.

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.

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 Veterans Museum operations since the 1991-92 fiscal year and also indicates the amounts recommended by the Governor for the Museum in SB 44.

**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>	
1991-92	\$0	0.0%	\$0	0.0%	\$122,700	100.0%	\$122,700
1992-93	0	0.0	0	0.0	122,700	100.0	122,700
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*	601,400	38.3	193,200	12.3	777,000	49.4	1,571,600
2004-05*	601,400	39.5	160,900	10.6	760,700	49.9	1,523,000

*Proposed by 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 began to be substituted for some of the GPR funding.

6. 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.

7. Alternatively, it can be argued that for many years the Museum was supported exclusively from the veterans trust fund and, at the time, this was not viewed as an inappropriate source of support for Museum operations. Given the current condition of the state's general fund, it could be argued that the Veterans Museum should again be supported by the veterans trust fund, which has available revenues for this purpose. The anticipated unappropriated cash balance in the veterans trust fund at the end of the 2003-05 biennium is estimated at \$4.6 million SEG.

8. If the Committee concludes that the latter argument has merit, it could delete \$601,400 GPR and 6.8 GPR positions annually and provide \$601,400 SEG and 6.8 SEG positions annually to reflect the conversion of the GPR-funded portion of the Museum's operating budget under SB 44 to funding from the veterans trust fund.

9. As an additional alternative, if the Committee concludes that full funding of Museum operations from the veterans trust fund should be adopted, it could also delete \$193,200 PR and 0.5 PR position in 2003-04 and \$160,900 PR in 2004-05 funded from tribal gaming revenues and provide \$193,200 SEG and 0.5 SEG position in 2003-04 and \$160,900 SEG in 2004-05 to reflect the conversion of the tribal gaming revenue-funded portion of Museum operations to funding from the veterans trust fund. The deleted tribal gaming revenue amounts would then be available for another use of the Committee's choosing.

10. The Committee could also choose to maintain the current basic funding configuration for the Veterans Museum and approve the Governor's recommendation.

ALTERNATIVES

1. Approve the Governor's recommendation to provide the following amounts for Veterans Museum operations: -\$16,000 GPR, \$16,300 PR, \$41,300 SEG and -0.5 GPR and 0.5 SEG position in 2002-03 and -\$16,000 GPR, -\$16,000 PR, \$25,000 SEG and -0.5 GPR and -0.5 PR position in 2004-05.

2. Modify the Governor's recommendation by deleting \$601,400 GPR and 6.8 GPR positions annually and providing \$601,400 SEG and 6.8 SEG positions annually to reflect the conversion of the GPR-funded portion of Museum operations to funding from the veterans trust fund. for Museum operations.

<u>Alternative 2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	- \$1,202,800	\$1,202,800	\$0
2004-05 POSITIONS (Change to Bill)	- 6.80	6.80	0.00

3. *In addition to Alternative 2*, modify the Governor's recommendation by deleting \$193,200 PR and 0.5 PR position in 2003-04 and \$160,900 PR in 2004-05 funded from tribal gaming revenues and providing \$193,200 SEG and 0.5 SEG position in 2003-04 and \$160,900 SEG

in 2004-05 to reflect the conversion of the tribal gaming revenue-funded portion of Museum operations to funding from the veterans trust fund.

<u>Alternative 3</u>	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	- \$1,202,800	- \$354,100	\$1,556,900	\$0
2004-05 POSITIONS (Change to Bill)	- 6.80	- 0.00	6.80	0.00

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