



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #640

### **Tribal Gaming Appropriation for UW-Green Bay (UW System)**

[LFB 2017-19 Budget Summary: Page 463, #14]

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#### **CURRENT LAW**

An appropriation under the Department of Administration (DOA) provides \$247,500 annually from tribal gaming revenues for programming at UW-Green Bay that is jointly developed by the Oneida Tribe and UW-Green Bay. These funds are deposited in the UW System's program revenue appropriation for funds transferred from other state agencies.

#### **GOVERNOR**

Delete the appropriation under DOA for UW-Green Bay programming. The bill would not reduce the amount of the UW System's all moneys received program revenue appropriation for funds transferred from other state agencies to reflect this provision.

#### **DISCUSSION POINTS**

1. The agreements between the state and most of the tribes that operate gaming facilities, including the agreement between the state and the Oneida Tribe, include ancillary memoranda of understanding (MOUs) related to government-to-government matters. In most cases, these MOUs specify that tribal gaming revenues, other than payments made to reimburse the state for the costs of regulating gaming and to reimburse DOA and the Department of Justice for the cost of providing services and assistance, should be used for the following four purposes: (a) economic development initiatives to benefit tribes and/or American Indians within Wisconsin; (b) economic development initiatives in regions around casinos; (c) promotion of tourism within the state; and (d) support of programs and services of the county in which the tribe is located.

2. Tribal gaming revenue has been provided to finance UW-Green Bay programming since the 2001-02 year. Most of the tribal gaming revenues provided for UW-Green Bay programming is used to fund costs related to men's basketball games, which are played at the Resch Center in downtown Green Bay, with the remainder being used to support women's basketball and men's and women's soccer games. According to UW-Green Bay staff, this is consistent with the initial intent of the appropriation which was for a portion of the tribal gaming revenues generated by the Oneida tribe to be spent in the Green Bay area. It could be argued that this use of tribal gaming revenues is consistent with the MOUs regarding the use of tribal gaming revenues in that UW-Green Bay athletic events may promote tourism in the state or may be related to economic development initiatives.

3. The Chairwoman of the Oneida Nation and the UW-Green Bay Chancellor submitted a joint letter to members of the Joint Committee on Finance requesting that the Committee restore the appropriation from tribal gaming revenues for UW-Green Bay programming. According to the letter, the partnership between the Oneida Nation and UW-Green Bay has benefited both entities and their respective constituencies. As one of the tribes that operates the gaming facilities that generate the tribal gaming revenues has requested that this appropriation be restored, the Committee may wish to restore the appropriation. However, other than the MOUs specifying that purposes for which the funding should be used, the tribes have no formal role in deciding how tribal gaming revenues should be spent. In addition, the Oneida are one of 11 tribes that operate gaming facilities that generate tribal gaming revenues. It is unclear whether the remaining 10 tribes support the use of tribal gaming revenues to support UW-Green Bay intercollegiate athletics.

4. UW-Green Bay is the only UW institution that receives tribal gaming funding to support its intercollegiate athletics program. However, all of the UW four-year institutions use a combination of state GPR and tuition revenues to support some portion of their intercollegiate athletics program. (UW-Madison intercollegiate athletics receives GPR funding to support a portion of the utilities costs associated with the Kohl Center, the Fieldhouse, and Camp Randall. However, transfers from UW-Madison intercollegiate athletics to other UW-Madison departments exceed the amount of GPR support intercollegiate athletics receives for utilities and other direct and indirect institutional support.) As all UW institutions use a combination of GPR and tuition to support some portion of their intercollegiate athletics departments, this may also be an appropriate use of tribal gaming revenues.

5. Tribal gaming revenues that are not allocated to state agencies are deposited in the state's general fund. If the Committee were to restore funding from tribal gaming revenues for UW-Green Bay programming, the year-end balance of the state's general fund would be reduced by the same amount. For this reason, the Committee could provide GPR funding directly to the UW System for this purpose instead of restoring the appropriation from tribal gaming revenues and have the same net effect on the general fund's balance.

6. The tribal gaming funding provided through the DOA appropriation for UW-Green Bay programming is deposited in the UW System's appropriation for funds transferred from state agencies. While the bill would delete the DOA appropriation for UW-Green Bay programming, it would not reduce the UW System's appropriation for funds transferred from state agencies by the

same amount. If the Committee approves the Governor's recommendation, the Committee may wish to reduce the amount of the UW System's appropriation for funds transferred from state agencies by \$247,500 annually to reflect this reduction in revenues.

**ALTERNATIVES**

1. Approve the Governor's recommendation.

ALT 1	Change to	
	Base	Bill
DOA-PR	- \$495,000	\$0
GPR-Tribal (REV)	\$495,000	\$0

2. Approve the Governor's recommendation. Reduce the UW System's appropriation for funds transferred from other state agencies by \$247,500 annually to reflect the deletion of the appropriation under the Department of Administration for UW-Green Bay programming.

ALT 2	Change to	
	Base	Bill
DOA-PR	- \$495,000	\$0
UW-PR	<u>- 495,000</u>	<u>- 495,000</u>
Total	- \$990,000	- \$495,000
GPR-Tribal (REV)	\$495,000	\$0

3. Modify the Governor's recommendation to provide \$247,500 GPR annually through the UW System's GPR block grant appropriation to fund UW-Green Bay intercollegiate athletics. In addition, reduce the UW System's appropriation for funds transferred from other state agencies by \$247,500 annually to reflect the deletion of the appropriation under the Department of Administration for UW-Green Bay programming.

ALT 3	Change to	
	Base	Bill
UW-GPR	\$495,000	\$495,000
UW-PR	- 495,000	- 495,000
DOA-PR	<u>- 495,000</u>	<u>0</u>
Total	-\$495,000	\$0
GPR-Tribal (REV)	\$495,000	\$0

4. Delete the provision. This would restore the appropriation under the Department of Administration for UW-Green Bay programming and reduce the amount of tribal gaming revenue

transferred to the general fund as GPR-Earned by \$247,500 annually.

<b>ALT 4</b>	<b>Change to</b>	
	<b>Base</b>	<b>Bill</b>
PR-DOA	\$0	\$495,000
GPR-Tribal (REV)	\$0	- \$495,000

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