

Table of Contents

Minnesota Amateur Sports Commission

Agency Profile.....	1
Expenditures Overview.....	3
Financing by Fund.....	4
Change Item: James Metzen Mighty Ducks Grant Program.....	5
Change Item: Additional Administrative FTE.....	6
Change Item: Operating Adjustment.....	7

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AT A GLANCE

- \$76.6 million spent on amateur sports in Minnesota by out-of-state visitors
- \$46.3 million spent annually at the National Sports Center (NSC) by out-of-state visitors
- 5.2 million annual attendance at Minnesota Amateur Sports Commission (MASC) affiliate facilities
- 4.3 million annual visitors to the NSC
- Star of the North State Summer Games offers 15-24 different sport events and hosts over 5,000 Minnesota athletes annually in select Minnesota host communities

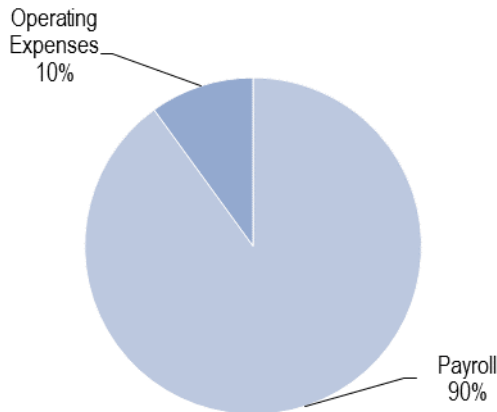
PURPOSE

The Minnesota Amateur Sports Commission (MASC) was created to promote the economic and social benefits of sport for Minnesota citizens and organizations. The MASC contributes to the statewide outcomes of a thriving economy that encourages business growth and employment opportunities and all Minnesotans have optimal health by:

- Generating economic benefits through sport events;
- Providing increased amateur sport opportunities; and
- Improving infrastructure through developing new sport facilities and programs.

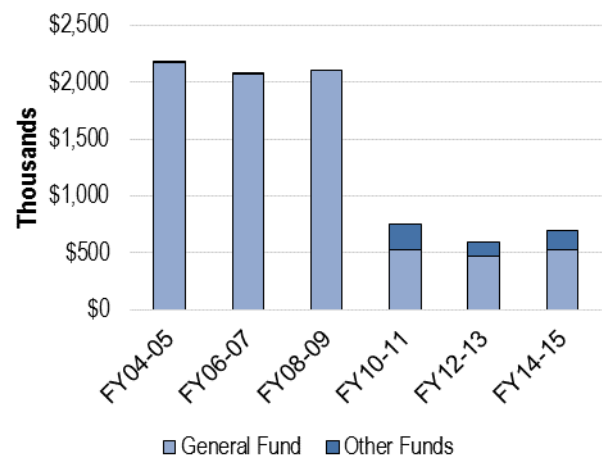
BUDGET

**Spending by Category
FY 15 Actual**



Source: BPAS

Historical Spending



The MASC received in FY 2002 through FY 2009 annual funding of \$750,000 for the Target Center.

Source: Consolidated Fund Statement

The MASC receives annual funding from the General Fund of \$300,000 that is primarily used for three full-time staff.

The MASC activities are funded through the General Fund, contracts, and grants. About 88% of the MASC funding is from the General Fund and about 12% is from the MASC contract for services with Hennepin County. The Hennepin County agreement allows the MASC to maintain a minimum of three full-time staff.

STRATEGIES

The MASC employs several strategies to achieve the agency’s goals and mission to bring the economic and social benefits of amateur sports to Minnesota:

1. Develop top class amateur sport facilities in partnership with select Minnesota cities. The Regional Centers are facilities that attract out-of-state visitors and serve many Minnesotans.
2. Identify and research national and regional amateur sport events and prepare bid presentations in order to bring these events to Minnesota.
3. Create and develop new major amateur sport events and programs in Minnesota.

RESULTS

The MASC closely tracks the success of its major priorities:

- The performance of the National Sports Center (NSC) in Blaine, which is the flagship amateur sports facility in Minnesota, and the one facility in the state directly overseen by the MASC. The NSC has shown strong financial performance, is operationally self-sufficient, and shows stable attendance and economic-impact numbers.
- The MASC has developed a model to compute economic impact for its major sports events. In addition to using this model on its own events, the MASC shares the model with other sport organizations, parks and recreation departments and anyone hosting sports events in the state. This model was specifically designed to be used by non-economists, but it has been verified as accurate and conservative in its estimates by professionals in the field.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	National Sports Center out-of-state economic impact	\$30.2 million	\$46.3 million	2013/2015
Quantity	Annual visitors to the National Sports Center	4.0 million	4.3 million	2013/2015

Chapter 240A of the Minnesota Statutes provides the legal authority for the Amateur Sports Commission

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecasted Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	256	276	298	3,186	300	300	7,555	392
2000 - Restrict Misc Special Revenue	63	98	78	75	76	77	76	77
Total	319	373	376	3,261	376	377	7,631	469
<i>Biennial Change</i>				2,944		(2,884)		4,463
<i>Biennial % Change</i>				425		(79)		123
<i>Governor's Change from Base</i>								7,347
<i>Governor's % Change from Base</i>								976

Expenditures by Program

Program: Amateur Sports Commission	319	373	376	3,261	376	377	7,631	469
Total	319	373	376	3,261	376	377	7,631	469

Expenditures by Category

Compensation	299	328	308	327	330	335	419	427
Operating Expenses	21	46	43	75	46	42	46	42
Grants, Aids and Subsidies			25	2,859			7,166	
Total	319	373	376	3,261	376	377	7,631	469
Full-Time Equivalents	3.0	3.1	3.0	3.0	3.0	3.0	4.0	4.0

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	10	50	52	0	0	0	0
Direct Appropriation	266	316	300	10,300	300	300	7,555	392
Cancellations	0	0	0	7,166	0	0	0	0
Expenditures	256	276	298	3,186	300	300	7,555	392
Balance Forward Out	10	50	52	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				2,952		(2,884)		4,463
<i>Biennial % Change in Expenditures</i>				555		(83)		128
<i>Gov's Exp Change from Base</i>								7,347
<i>Gov's Exp % Change from Base</i>								1,225
Full-Time Equivalents	2.4	2.4	2.5	2.5	2.5	2.5	3.5	3.5

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	12	29	13	0	0	0	0	0
Receipts	81	81	65	75	76	77	76	77
Expenditures	63	98	78	75	76	77	76	77
Balance Forward Out	29	13	0	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				(8)		0		0
<i>Biennial % Change in Expenditures</i>				(5)		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	0.6	0.7	0.5	0.5	0.5	0.5	0.5	0.5

2403 - Gift

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	1	1	1	1	1	1	1	1
Balance Forward Out	1	1	1	1	1	1	1	1

Amateur Sports Commission

FY18-19 Biennial Budget Change Item

Change Item Title: James Metzen Mighty Ducks Grant Program

Fiscal Impact (\$000s)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
General Fund					
Expenditures	(7,166)	7,166	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0	0
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends extending the availability of the James Metzen Mighty Duck Grant Program appropriation beyond the June 30, 2017 end date. The \$10.0 million dollar appropriation is for grants to ice arenas for the purpose of improving indoor air quality in arenas or eliminating R-22 refrigerant.

Rationale/Background:

- The James Metzen Mighty Duck Grant Program legislation was initiated and passed with the intent of improving indoor air quality in arenas and to provide financial assistance/grants to local communities with this process and assisting arenas in meeting the 2020 R22 regulations.
- Due to the financial cost of these types of projects, the match requirement and local government's limited budgets, the intent of awarding the total \$10.0 million in FY17 is not possible and thus will not be able to fully serve the intended use of the grant program funds.
- Additional time is required for future grant rounds for communities to meet the grant requirement guidelines and to secure proper funding to receive funds from the grant program.
- The original intent of this program was to assist and benefit as many arenas statewide as possible while maintaining the integrity of the Mighty Duck Grant Program.

Proposal:

The extension of the availability of the James Metzen Mighty Duck Grant Program appropriation will allow more communities to participate and receive financial assistance for the purpose of improving indoor air quality at their local arena(s). Applicants have the opportunity to apply for and receive up to:

- 1) \$200,000 for indoor air quality improvements with a minimum of 1:1 dollar match from non-state sources.
- 2) \$400,000 to replace an existing R-22 direct refrigeration with a minimum of 1:1 dollar match from non-state sources.
- 3) \$50,000 to replace an existing R-22 indirect refrigeration system with a minimum 1:1 dollar match from non-state sources.

Grant awards are reviewed and allocated with the intent of equal distribution statewide using congressional district provisions.

Statutory Change(s):

N.A.

Amateur Sports Commission

FY18-19 Biennial Budget Change Item

Change Item Title: Additional Administrative FTE

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	85	85	85	85
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	1.0	1.0	1.0	1.0

Recommendation:

The Governor recommends an annual general fund increase of \$85,000 to the Minnesota Amateur Sports Commission (MASC) base budget to hire an additional full-time staff person to perform administrative planning and analysis work in amateur sport facility/program development and implementation.

Rationale/Background:

- The MASC has a record of generating economic impact for Minnesota and providing healthy sport recreational activity and opportunities for Minnesotans on an annual basis. The MASC staff work with communities and sport organizations statewide to develop and support a network of quality amateur sport facilities. In addition, staff work to develop and secure major amateur sporting events. These major events attract out-of-state visitors to Minnesota generating sport tourism dollars. The activity of developing new events, bidding for national sporting events, constructing new amateur sport facilities while providing oversight of the National Sports Center, is labor intensive yet beneficial to its user groups who are from a variety of social and economic demographics.
- This additional funding will allow for the hiring of an additional full-time staff person that will assist with the agency's day-to-day activities that would allow for continued growth in the promotion and development of amateur sport programs and facilities statewide.

Proposal:

The Governor recommends increasing the MASC budget by \$85,000 per year to hire an additional staff person, which will allow for MASC staff to focus its time and energies on the MASC's core mission. It will also help to improve the agency's ability to meet and exceed the expectations of the amateur sport community and local governing bodies while providing the potential for increased sport opportunities, facility/program management and development and improved relationships with its user groups, local business and governing units. This will increase sport tourism and economic growth as well improving the quality of life for Minnesotans.

Results:

- Maintaining and increasing the annual economic impact of sports tourism in Minnesota.
- Increasing the number of annual participants and attendees of the eleven statewide facilities.
- Increasing amateur sport opportunities and the number of amateur sport participants statewide.

Amateur Sports Commission

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	4	7	7	7
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4	7	7	7
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$11,000 from the general fund in FY18-19 to maintain the current level of service delivery at the Amateur Sports Commission.

Rationale/Background:

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Amateur Sports Commission, this funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.