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Minnesota Amateur Sports Commission

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<https://www.mnsports.org/>

AT A GLANCE

In FY21:

- \$54 million was spent on amateur sports in Minnesota by sports visitors
- \$35.2 million was spent at the National Sports Center (NSC) by sports visitors
- 5.2 million visitors at Minnesota Amateur Sports Commission (MASC) affiliate facilities
- 4.1 million visitors to the NSC
- There was a significant decrease from previous years’ reports in the dollar amount spent on amateur sports in MN and at the NSC by sports visitors due in large part to ramifications from COVID restrictions; i.e. the NSC hosted **30 fewer events** and no international travel allowed which directly impacted USA CUP, hockey/soccer tournaments, etc.

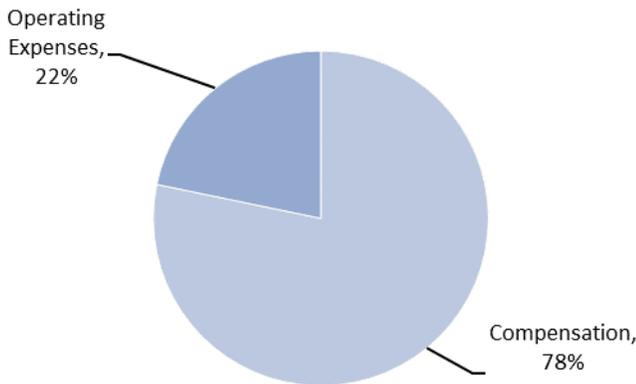
PURPOSE

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 State of Minnesota by:

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

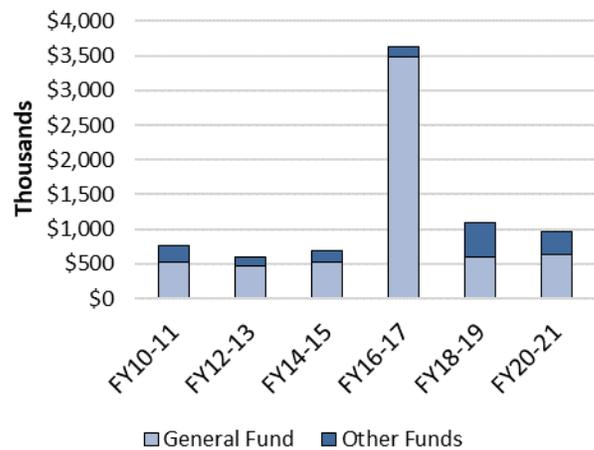
BUDGET

**Spending by Category
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The MASC activities are funded by the general fund, contracts, and the Hennepin County Youth Sports Grant Program. In the FY 2022-23 biennium, 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.

The MASC receives annual funding from the general fund of approximately \$300,000 that is primarily used to fund its three full-time staff positions. From FY 2002 to FY 2009 MASC received \$750,000 annually to access space at the Target Center. In addition, the MASC received additional funding in FY2016-17 for the Mighty Ducks Grant

Program. This grant program awarded over \$3.5 million in statewide grants to public ice facilities for the purpose of improving indoor air quality/eliminating R-22 and purchasing electric ice resurfaces. The MASC received an additional \$2.0 million in 2020 for the purpose of grant programs for arena air quality and R-22 replacement. In the same year, the MASC received \$250,000 for the Skate Park Grant Program for the purpose of constructing and/or renovating public skate parks.

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. The Regional Centers are located in Rochester, Marshall, Blaine, St. Cloud, and Biwabik.
2. Create and attract new amateur sports programs and events in Minnesota with a focus on the National Sports Center in Blaine.

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, is 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 growing 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 of event economics.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	National Sports Center visitor direct spending	\$57.5 million	\$35.2 million	FY20, FY21
Quantity	Annual visitors to the National Sports Center	4.0 million	4.1 million	FY20, FY21

Chapter 240A of the Minnesota Statutes provides the legal authority for the Amateur Sports Commission. (<https://www.revisor.mn.gov/statutes/cite/240A>)

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General	290	347	285	343	317	317	379	391
2000 - Restrict Misc Special Revenue	247	77	366	227	78	78	78	78
Total	537	424	651	570	395	395	457	469
Biennial Change				259		(431)		(295)
Biennial % Change				27		(35)		(24)
Governor's Change from Base								136
Governor's % Change from Base								17

Expenditures by Program

Amateur Sports Commission	537	424	651	570	395	395	457	469
Total	537	424	651	570	395	395	457	469

Expenditures by Category

Compensation	307	332	295	321	349	349	411	423
Operating Expenses	230	92	356	249	46	46	46	46
Total	537	424	651	570	395	395	457	469

Full-Time Equivalent

	2.25	2.51	2.50	2.50	3.00	3.00	3.50	3.50
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Amateur Sports Commission

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		51		26				
Direct Appropriation	341	306	311	317	317	317	379	391
Cancellations		10						
Balance Forward Out	51		26					
Expenditures	290	347	285	343	317	317	379	391
Biennial Change in Expenditures				(9)		6		142
Biennial % Change in Expenditures				(1)		1		23
Governor's Change from Base								136
Governor's % Change from Base								21
Full-Time Equivalent	1.97	2.22	2.37	2.37	2.50	2.50	3.00	3.00

2000 - Restrict Misc Special Revenue

Balance Forward In	6	2	4	154	6	7	6	7
Receipts	244	79	516	79	79	79	79	79
Balance Forward Out	2	4	154	6	7	8	7	8
Expenditures	247	77	366	227	78	78	78	78
Biennial Change in Expenditures				269		(437)		(437)
Biennial % Change in Expenditures				83		(74)		(74)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	0.28	0.29	0.13	0.13	0.50	0.50	0.50	0.50

2403 - Gift

Balance Forward In	1	1	1	1	1	1	1	1
Balance Forward Out	1	1	1	1	1	1	1	1

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	317	317	317	634
Forecast Base	317	317	317	634
Change Items				
Maintain Current Service Levels		12	24	36
Fiscal Coordinator Staff		50	50	100
Total Governor's Recommendations	317	379	391	770
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	227	78	78	156
Forecast Base	227	78	78	156
Total Governor's Recommendations	227	78	78	156
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	79	79	79	158
Total Governor's Recommendations	79	79	79	158

Minnesota Amateur Sports Commission

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	12	24	24	24
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12	24	24	24
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$12,000 in FY 2024 and \$24,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Minnesota Amateur Sports Commission (MASC).

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care 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. For MASC, efficiencies have been implemented to help offset rising operating costs such as the development of an accurate and conservative model to determine economic impact for its major sports events. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For MASC, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services MASC delivers to Minnesotans will be impacted. Some examples of potential impacts include:

- Decreased capacity to attract new amateur sports programs and events in Minnesota
- Decreased capacity to develop amateur sport facilities in partnership with Minnesota cities

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For MASC, this funding will cover anticipated employee compensation growth, cost increases in IT services, and other operating costs.

Results:

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

Minnesota Amateur Sports Commission

FY 2024-25 Biennial Budget Change Item

Change Item Title: Fiscal Coordinator Staff

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	50	50	50	50
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	50	50	50	50
FTEs	.5	.5	.5	.5

Recommendation:

The Governor recommends additional funding of \$50,000 in FY 2024 and each subsequent year for a Fiscal Coordinator at the Minnesota Amateur Sports Commission (MASC). This position will assist with the amateur sports organization infrastructure and fiscal responsibility obligations.

Rationale/Background:

- The MASC’s fiscal coordinator will be retiring on or before the end of fiscal year 2023. This individual has provided the daily fiscal and HR and personnel services to the agency for 33 plus years.
- Due to the scope of responsibilities provided by the current MASC staff person along with the knowledge and experience attained during the tenure, it will be challenging for the agency to secure the services of an individual that can perform the various job responsibilities and have the working knowledge necessary in State government.
- This funding only represents a portion of the salary for the current position. The current position is paid for with funds received from Hennepin County contract for the administration of their Youth Sports grant program. The current Hennepin County contract is scheduled to expire July 1, 2023 and the potential for future funding unknown and possibly won’t be available. Therefore, additional operating funds are needed in order for the agency to maintain its current staffing pattern and perform its day-to-day operations.

Proposal:

- MASC is proposing an increase to its base budget on an annual basis by \$50,000 for the purpose of maintaining its current infrastructure and staffing.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

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