

DEPARTMENT OF TOURISM

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY03 Adjusted Base	FY04 Recommended	% Change Over FY03	FY05 Recommended	% Change Over FY04
GPR	11,010,600	8,772,600	-20.3	8,772,600	0.0
PR-O	106,200	106,200	0.0	106,200	0.0
PR-S	4,127,300	4,130,500	0.1	4,130,500	0.0
SEG-O	480,900	615,500	28.0	653,700	6.2
TOTAL	15,725,000	13,624,800	-13.4	13,663,000	0.3

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY03 Adjusted Base	FY04 Recommended	FTE Change From FY03	FY05 Recommended	FTE Change From FY04
GPR	55.25	47.45	-7.80	47.45	0.00
PR-S	1.00	1.00	0.00	1.00	0.00
SEG-O	3.00	3.00	0.00	3.00	0.00
TOTAL	59.25	51.45	-7.80	51.45	0.00

AGENCY DESCRIPTION

The department promotes, advertises and publicizes Wisconsin's scenic, historic, natural, educational and recreational attractions to encourage travel and tourism to and within the state. The department is headed by a secretary, appointed by the Governor and subject to Senate confirmation. The secretary then appoints a deputy secretary. In addition to the office of the secretary, the department operates the Bureaus of Administrative Services, Customer Services, Information Technology, Marketing, and Media and Industry Services. Bureau directors are classified, civil servants. The Governor's Council on Tourism advises the secretary on matters related to tourism and assists the secretary in formulating a statewide marketing strategy. The Arts, Kickapoo Reserve Management, Lower Wisconsin State Riverway and State Fair Park Boards are attached to the department for administrative purposes.

MISSION

The mission of the department is to provide leadership and guidance to Wisconsin's tourism industry to ensure tourism is a top contributor to the state's economy and quality of life.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Tourism Development Promotion

Goal: Increase the amount of travel-related expenditures in Wisconsin on a calendar year basis.

Objective/Activity: Continue promotional programming to encourage travel to Wisconsin during all seasons, and measure seasonal economic impact by areas of the state.

Goal: Generate a positive return on investment by increasing the amount of tax revenues generated by traveler spending in Wisconsin.

Objective/Activity: Continue to use advertising to encourage first-time visits and maintain high levels of customer loyalty. The department intends to measure this by tracking changes in market composition annually and by season.

Goal: (New) Provide excellent customer service to all travelers and potential travelers.

Objective/Activity: Continue to serve customers via the Wisconsin Travel Information Centers, toll-free numbers, E-mail, U.S. mail, publications, Web site and E-newsletter by providing up-to-date, knowledgeable travel information.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000
1.	Annual travel expenditures.	\$11.05 billion
1.	State tax revenues generated.	\$1.02 billion
1.	Customers served.	2.8 million

Note: Based on calendar year.

2001 AND 2002 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2001	Actual 2001	Goal 2002	Actual 2002 ¹
1.	Annual travel expenditures.	\$9.50 billion	\$11.38 billion	\$9.91 billion	N/A
1.	State tax revenues generated.	\$893 million	\$1.05 billion	\$931 million	N/A
1.	Customers served.	N/A	3.2 million	N/A	N/A

Note: Based on calendar year. Actual 2002 data is not available.

¹The department is hopeful that its 2002 goal will be greatly exceeded, similar to results in 2000 and 2001. However, the impact that the September 11, 2001, terrorist attacks, the economic downturn and a winter with no snow had on travel may show a slower growth pattern in 2002 than in prior years.

2003, 2004 AND 2005 GOALS

Prog. No.	Performance Measure	Goal 2003	Goal 2004	Goal 2005
1.	Annual travel expenditures.	\$11.96 billion	\$12.26 billion	\$12.56 billion
1.	State tax revenues generated.	\$1.10 billion	\$1.13 billion	\$1.16 billion
1.	Customers served.	3.4 million	3.5 million	3.6 million

Note: Based on calendar year.

Using the original fiscal year 2002-03 department marketing budget, the department estimates a 2.5 percent growth factor. The growth rate is predicted to be at or about the rate of inflation, implying zero growth when adjusted for inflation. However, this does not account for any differential in inflation for media purchases. Buying power could be adversely affected if media inflation is disproportionately higher than the Consumer Price Index and will have a negative impact on traveler expenditures and the resultant state taxes and fees generated.

During tight fiscal times when expanding to new markets is not possible, the department will rely on repeat travelers and marketing in areas where it continues to receive a high return on investment.

DEPARTMENT OF TOURISM

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Budget Efficiency Measures
2. Kickapoo Valley Reserve Operations
3. Kickapoo Valley Reserve Property Management
4. Kickapoo Valley Reserve – Cost to Continue
5. Standard Budget Adjustments

ITEMS NOT APPROVED

6. JEM Program

**Table 1
Department Budget Summary by Funding Source (in thousands of dollars)**

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	\$11,005.0	\$11,010.6	\$10,928.3	\$10,928.3	\$8,772.6	\$8,772.6
State Operations	10,986.0	11,010.6	10,363.3	10,363.3	8,772.6	8,772.6
Local Assistance	19.0					
Aids to Ind. & Org.			565.0	565.0		
FEDERAL REVENUE (1)	16.8					
State Operations	16.8					
PROGRAM REVENUE (2)	4,346.0	4,233.5	4,237.7	4,238.7	4,236.7	4,236.7
State Operations	4,346.0	4,233.5	3,672.7	3,673.7	4,236.7	4,236.7
Aids to Ind. & Org.			565.0	565.0		
SEGREGATED REVENUE (3)	461.5	480.9	612.7	649.9	615.5	653.7
State Operations	263.1	256.4	368.0	383.2	370.8	387.0
Aids to Ind. & Org.	198.4	224.5	244.7	266.7	244.7	266.7
TOTALS-ANNUAL	15,829.3	15,725.0	15,778.7	15,816.9	13,624.8	13,663.0
State Operations	15,611.9	15,500.5	14,404.0	14,420.2	13,380.1	13,396.3
Local Assistance	19.0					
Aids to Ind. & Org.	198.4	224.5	1,374.7	1,396.7	244.7	266.7

(1) Includes Program Revenue-Federal and Segregated Revenue-Federal

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

**Table 2
Department Position Summary by Funding Source (in FTE positions) (4)**

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
GENERAL PURPOSE REVENUE	55.25	55.25	55.25	47.45	47.45
PROGRAM REVENUE (2)	1.00	1.00	1.00	1.00	1.00
SEGREGATED REVENUE (3)	3.00	4.00	4.00	3.00	3.00
TOTALS-ANNUAL	59.25	60.25	60.25	51.45	51.45

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

**Table 3
Department Budget Summary by Program (in thousands of dollars)**

	ACTUAL FY02	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY04	FY05	FY04	FY05
1. Tourism development promotion	\$15,310.9	\$15,246.5	\$15,168.5	\$15,168.5	\$13,015.5	\$13,015.5
2. Kickapoo valley reserve	518.4	478.5	610.2	648.4	609.3	647.5
TOTALS	15,829.3	15,725.0	15,778.7	15,816.9	13,624.8	13,663.0

**Table 4
Department Position Summary by Program (in FTE positions) (4)**

	ADJUSTED BASE FY03	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY04	FY05	FY04	FY05
1. Tourism development promotion	57.25	57.25	57.25	49.45	49.45
2. Kickapoo valley reserve	2.00	3.00	3.00	2.00	2.00
TOTALS	59.25	60.25	60.25	51.45	51.45

(4) All positions are State Operations unless otherwise specified

1. Budget Efficiency Measures

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-2,178,700	-7.50	-2,178,700	-7.50
TOTAL	0	0.00	0	0.00	-2,178,700	-7.50	-2,178,700	-7.50

The Governor recommends reducing expenditure and position authority in the department's state operations appropriations in the amounts shown to create additional operational efficiencies and balance the budget by: (a) eliminating an attorney position (see Department of Administration, Item #10); (b) consolidating two bureaus; (c) reducing marketing contracts; and (d) closing the Chicago and Madison tourist information centers.

2. Kickapoo Valley Reserve Operations

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	55,000	0.00	55,000	0.00	55,000	0.00	55,000	0.00
TOTAL	55,000	0.00	55,000	0.00	55,000	0.00	55,000	0.00

The Governor recommends providing funding from the conservation fund for the annualized costs of operating and maintaining the new visitor center, which is scheduled to open in 2003.

3. Kickapoo Valley Reserve Property Management

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	45,500	1.00	60,700	1.00	45,500	0.00	60,700	0.00
TOTAL	45,500	1.00	60,700	1.00	45,500	0.00	60,700	0.00

The Governor recommends providing funding from the conservation fund for year-round maintenance, oversight of contractors, implementation of the reserve's land management plan and hosting educational events.

4. Kickapoo Valley Reserve – Cost to Continue

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	1,800	0.00	1,800	0.00	0	0.00	0	0.00
PR-S	1,000	0.00	2,000	0.00	0	0.00	0	0.00
SEG-O	20,200	0.00	42,200	0.00	23,000	0.00	46,000	0.00
TOTAL	23,000	0.00	46,000	0.00	23,000	0.00	46,000	0.00

The Governor recommends increased funding to cover the cost to continue of the Kickapoo Reserve Management Board's contract for law enforcement (\$1,000 in FY04 and \$2,000 in FY05); ongoing technology support (\$1,800 in each year); and aids in lieu of taxes (\$20,200 in FY04 and \$42,200 in FY05).

5. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY04		FY05		FY04		FY05	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-84,100	0.00	-84,100	0.00	-59,300	-0.30	-59,300	-0.30
PR-S	3,200	0.00	3,200	0.00	3,200	0.00	3,200	0.00
SEG-O	11,100	0.00	11,100	0.00	11,100	0.00	11,100	0.00
TOTAL	-69,800	0.00	-69,800	0.00	-45,000	-0.30	-45,000	-0.30

The Governor recommends adjusting the department's base budget for: (a) turnover reduction (-\$65,500 in each year); (b) removal of noncontinuing elements from the base (-\$184,300 in each year); (c) full funding of continuing position salaries and fringe benefits (\$192,100 in each year); (d) funding of ongoing s. 13.10 supplements (-0.3 FTE position in each year); (e) night and weekend differential pay (\$5,800 in each year); and (f) fifth week of vacation as cash (\$6,900 in each year).

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Department of Tourism.

Decision Item	Source of Funds	FY04		FY05	
		Dollars	Positions	Dollars	Positions
6. JEM Program	PR-O	565,000	0.00	565,000	0.00
	PR-S	-565,000	0.00	-565,000	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	565,000	0.00	565,000	0.00
	PR-S	-565,000	0.00	-565,000	0.00