

## DEPARTMENT OF TOURISM

### GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY05 Adjusted Base	FY06 Recommended	% Change Over FY05	FY07 Recommended	% Change Over FY06
GPR	8,985,600	3,433,000	-61.8	3,330,300	-3.0
PR-O	141,200	141,200	0.0	141,200	0.0
PR-S	4,133,500	9,337,500	125.9	9,371,200	0.4
SEG-O	652,000	2,272,600	248.6	2,898,200	27.5
<b>TOTAL</b>	<b>13,912,300</b>	<b>15,184,300</b>	<b>9.1</b>	<b>15,740,900</b>	<b>3.7</b>

### FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY05 Adjusted Base	FY06 Recommended	FTE Change From FY05	FY07 Recommended	FTE Change From FY06
GPR	48.45	41.80	-6.65	38.40	-3.40
PR-S	1.00	1.00	0.00	1.00	0.00
SEG-O	4.00	3.00	-1.00	3.00	0.00
<b>TOTAL</b>	<b>53.45</b>	<b>45.80</b>	<b>-7.65</b>	<b>42.40</b>	<b>-3.40</b>

### 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 who is appointed by the Governor with the advice and consent of the Senate. The secretary then appoints a deputy secretary. In addition to the Office of the Secretary, the department operates four bureaus: Administrative Services, Customer and Information Technology Services, Marketing, and Communications 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 Board, Kickapoo Reserve Management Board, Lower Wisconsin State Riverway Board and State Fair Park Board are attached to the department for administrative purposes.

### MISSION

The mission of the department is to provide leadership and guidance to Wisconsin's recreation and hospitality industry to ensure that 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: 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	Actual 2001	Actual 2002
1.	Annual travel expenditures.	\$11.05 billion	\$11.45 billion	\$11.56 billion
1.	State tax revenues generated.	\$1.02 billion	\$1.05 billion	\$1.08 billion
1.	Customers served.	2.8 million	3.5 million	3.9 million

Note: Based on calendar year.

## 2003 AND 2004 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2003	Actual 2003	Goal 2004	Actual 2004
1.	Annual travel expenditures.	\$11.96 billion	\$11.71 billion <sup>1</sup>	\$11.83 billion <sup>2</sup>	N/A
1.	State tax revenues generated.	\$1.10 billion	\$1.36 billion	\$1.37 billion	N/A
1.	Customers served.	3.4 million	4.6 million	4.65 million	N/A

Note: Based on calendar year. Actual 2004 information will not be available until May 2005.

The department's promotional budget alone does not create traveler expenditures. Instead, it is the department's marketing of Wisconsin in conjunction with the marketing being done by local and regional tourism organizations that create actual trips taken. These trips result in traveler expenditures and, thus, tax revenues are generated.

<sup>1</sup>Due to the slow economy, the department was pleased that the travel and hospitality industry continued to experience healthy expenditures by the traveling public and to grow slightly, despite the growth being less than predicted when goals were set.

<sup>2</sup>Growth in the middle to late 1990s was projected to be much larger due to higher promotional budgets and a growing economy. Now, however, fewer overall impressions of Wisconsin are being made because the economy remains somewhat soft, there are still minimal fears of terrorism that affect travelers, and state and local tourism organizations' budgets are lower. For these reasons, the department is projecting a conservative one percent rate of growth in traveler expenditures in the upcoming years.

## 2005, 2006 AND 2007 GOALS

Prog. No.	Performance Measure	Goal 2005	Goal 2006	Goal 2007
1.	Annual travel expenditures.	\$11.95 billion	\$12.06 billion	\$12.19 billion
1.	State tax revenues generated.	\$1.39 billion	\$1.40 billion	\$1.42 billion
1.	Customers served.	4.7 million	4.75 million	4.8 million

Note: Based on calendar year.

## **DEPARTMENT OF TOURISM**

### **GOVERNOR'S BUDGET RECOMMENDATIONS**

#### **RECOMMENDATIONS**

1. Budget Efficiency Measures
2. Streamlining Administrative Services
3. Promotional Funding
4. Kickapoo Valley Reserve – Cost to Continue
5. Kickapoo Valley Reserve – Increase Funding for LTEs
6. Standard Budget Adjustments

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

	ACTUAL FY04	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY06	FY07	FY06	FY07
GENERAL PURPOSE REVENUE	\$8,637.5	\$8,985.6	\$8,897.1	\$8,897.1	\$3,433.0	\$3,330.3
State Operations	8,637.5	8,985.6	8,897.1	8,897.1	3,433.0	3,330.3
FEDERAL REVENUE (1)	20.0					
State Operations	20.0					
PROGRAM REVENUE (2)	4,587.8	4,274.7	4,335.1	4,335.1	9,478.7	9,512.4
State Operations	4,587.8	4,274.7	4,335.1	4,335.1	9,478.7	9,512.4
SEGREGATED REVENUE (3)	582.6	652.0	718.5	744.1	2,272.6	2,898.2
State Operations	343.0	396.2	433.8	433.8	1,987.9	2,587.9
Local Assistance	239.6	255.8	284.7	310.3	284.7	310.3
TOTALS-ANNUAL	13,827.9	13,912.3	13,950.7	13,976.3	15,184.3	15,740.9
State Operations	13,588.3	13,656.5	13,666.0	13,666.0	14,899.6	15,430.6
Local Assistance	239.6	255.8	284.7	310.3	284.7	310.3

- (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 FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY06	FY07	FY06	FY07
GENERAL PURPOSE REVENUE	48.45	47.45	47.45	41.80	38.40
PROGRAM REVENUE (2)	1.00	1.00	1.00	1.00	1.00
SEGREGATED REVENUE (3)	4.00	4.00	4.00	3.00	3.00
TOTALS-ANNUAL	53.45	52.45	52.45	45.80	42.40

- (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 FY04	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY06	FY07	FY06	FY07
1. Tourism development promotion	\$12,949.3	\$13,251.8	\$13,223.0	\$13,223.0	\$14,456.6	\$14,987.6
2. Kickapoo valley reserve	878.6	660.5	727.7	753.3	727.7	753.3
TOTALS	13,827.9	13,912.3	13,950.7	13,976.3	15,184.3	15,740.9

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

	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY06	FY07	FY06	FY07
1. Tourism development promotion	50.45	49.45	49.45	42.80	39.40
2. Kickapoo valley reserve	3.00	3.00	3.00	3.00	3.00
TOTALS	53.45	52.45	52.45	45.80	42.40

**1. Budget Efficiency Measures**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-310,100	-5.65	-412,800	-6.65
PR-S	0	0.00	0	0.00	-42,800	0.00	-9,100	0.00
SEG-O	0	0.00	0	0.00	-45,900	-1.00	-45,900	-1.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>-398,800</b>	<b>-6.65</b>	<b>-467,800</b>	<b>-7.65</b>

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 6.65 FTE positions, including 1.0 FTE attorney management position; (b) consolidating purchasing and accounting functions; (c) eliminating an additional 1.0 FTE data services senior position in FY07; and (d) other programmatic reductions.

**2. Streamlining Administrative Services**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	0	0.00	0	-2.40
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>-2.40</b>

The Governor recommends consolidating server and network support, certain procurement and purchasing functions, and human resources and payroll benefit services in the Department of Administration beginning in FY07 to create administrative efficiencies. To achieve this, the Governor recommends reducing the department's position authority by: (a) 0.9 FTE position related to server and network consolidation; (b) 0.25 FTE position related to procurement and purchasing consolidation; and (c) 1.25 FTE positions related to human resources and payroll benefit services consolidation. The Governor further recommends retaining the funding associated with these positions in the department to cover chargebacks for these services from the Department of Administration. See Department of Administration, Item #1.

**3. Promotional Funding**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-5,186,400	0.00	-5,186,400	0.00
PR-S	0	0.00	0	0.00	5,186,400	0.00	5,186,400	0.00
SEG-O	0	0.00	0	0.00	1,600,000	0.00	2,200,000	0.00
<b>TOTAL</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,600,000</b>	<b>0.00</b>	<b>2,200,000</b>	<b>0.00</b>

The Governor recommends dedicating revenues from increased fees imposed on certain rental vehicles for tourism promotional spending. The Governor further recommends converting base tourism promotional funding from GPR to PR-S from tribal gaming revenues.

**4. Kickapoo Valley Reserve – Cost to Continue**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	1,000	0.00	1,000	0.00	1,000	0.00	1,000	0.00
SEG-O	28,900	0.00	54,500	0.00	28,900	0.00	54,500	0.00
<b>TOTAL</b>	<b>29,900</b>	<b>0.00</b>	<b>55,500</b>	<b>0.00</b>	<b>29,900</b>	<b>0.00</b>	<b>55,500</b>	<b>0.00</b>

The Governor recommends increasing funding to cover the cost to continue of the Kickapoo Reserve Management Board's contract for law enforcement (\$1,000 in each year) and aids in lieu of taxes (\$28,900 in FY06 and \$54,500 in FY07).

**5. Kickapoo Valley Reserve – Increase Funding for LTEs**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	26,900	0.00	26,900	0.00	26,900	0.00	26,900	0.00
<b>TOTAL</b>	<b>26,900</b>	<b>0.00</b>	<b>26,900</b>	<b>0.00</b>	<b>26,900</b>	<b>0.00</b>	<b>26,900</b>	<b>0.00</b>

The Governor recommends providing funding from the conservation fund for LTE salaries and fringe benefits to reflect an increase in hours of operation for the new visitor center.

**6. Standard Budget Adjustments**

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	-88,500	-1.00	-88,500	-1.00	-56,100	-1.00	-56,100	-1.00
PR-S	59,400	0.00	59,400	0.00	59,400	0.00	59,400	0.00
SEG-O	10,700	0.00	10,700	0.00	10,700	0.00	10,700	0.00
<b>TOTAL</b>	<b>-18,400</b>	<b>-1.00</b>	<b>-18,400</b>	<b>-1.00</b>	<b>14,000</b>	<b>-1.00</b>	<b>14,000</b>	<b>-1.00</b>

The Governor recommends adjusting the department's base budget for: (a) removal of noncontinuing elements from the base (-1.0 FTE position in each year); (b) full funding of continuing position salaries and fringe benefits (\$8,200 in each year); and (c) night and weekend differential pay (\$5,800 in each year).