

1995-96 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

- Appointments ... Appt
- \*\*
  
- Clearinghouse Rules ... CRule
- \*\*
  
- Committee Hearings ... CH
- \*\*
  
- Committee Reports ... CR
- \*\*
  
- Executive Sessions ... ES
- \*\*
  
- Hearing Records ... HR
- \*\*
  
- Miscellaneous ... Misc
- 95hrJC-Fi\_Misc\_pt63
  
- Record of Comm. Proceedings ... RCP
- \*\*

III. Department of Tourism -- Moose Speros, Secretary

The Department of Tourism requests appropriation transfers to properly align funding between the Department of Development and the newly created Department of Tourism.

Governor's Recommendation

Modify the request by decreasing the amount transferred from appropriation s. 20.143(2)(b) to s. 20.380(1)(b) by \$100 to \$895,100.

*Date:* April 10, 1996

*To:* Members, Joint Committee on Finance

*From:* James R. Klauser, Secretary  
Department of Administration

*Subject:* Section 13.10 Request for Technical Adjustments to the Department of Tourism Budget

### REQUEST

The Departments of Development (DOD) and Tourism request funding transfers to properly allocate funding between DOD and the newly created Department of Tourism. More specifically, the following adjustments are requested:

1. Decrease the appropriation under s. 20.143 (2)(a) - Tourism General Program Operations by \$40,000 GPR in 1995-96 and increase the appropriation under s. 20.380 (1)(a) - Tourism General Program Operations by \$40,000 GPR in 1995-96.
2. Decrease the appropriation under s. 20.143 (2)(b) - Tourism Marketing by \$895,200 GPR in 1995-96 and increase the appropriation under s. 20.380 (1)(b) - Tourism Marketing by \$895,200 GPR in 1995-96.
3. Decrease the appropriation under s. 20.143 (2)(bm) - Heritage Tourism by \$3,400 GPR in 1995-96 and increase the appropriation under s. 20.380 (1)(bm) - Heritage Tourism Pilot Program by \$3,400 GPR in 1995-96.

### BACKGROUND

1995 Wisconsin Act 27 (Act 27), created the Department of Tourism (department) by transferring all resources related to the Division of Tourism (division) to the new department, as well as staff and resources from a number of other agencies. For the December 1995 s. 13.10 meeting, the Department of Development (DOD) submitted a request, which was approved by the committee, to provide the department with its share of DOD's rent and other administrative funding. The December request also addressed funding imbalances between the two halves of the 1995-96 fiscal year allocations for the Heritage Tourism program. The new request relates to similar funding imbalances. The new department started operations on December 24, 1995, at the midpoint of FY 1995-96. Therefore, all appropriations related to the division for FY 1995-96 were split in half. However, this allocation does not accurately reflect the actual timing of expenses for the department.

#### Tourism Promotion

The department's primary appropriation is for tourism promotion. It is used to finance broad scale marketing campaigns for Wisconsin's tourism seasons. Due to the fact that these campaigns are started at the beginning of each calendar year for that year's summer tourism season, the department spends more promotion funds in the second than the first half of each fiscal year. Consequently, a balance of \$895,100 GPR is left in the tourism marketing

appropriation in the Department of Development from the first half of FY 1995-96. In order to have sufficient funds for the 1996 marketing campaign, a transfer of this balance to the Department of Tourism appropriation is necessary.

General Program Operations and Heritage Tourism

The Division of Tourism did not utilize 100 percent of the amounts appropriated under s. 20.143 (2)(a) -- Tourism General Program Operations and 20.143 (2)(bm) Heritage Tourism Pilot Program during the first half of FY 1995-96. This is partially due to vacancies that occurred during the first half of the fiscal year and fewer program activities. Similarly, in the heritage tourism program the majority of activities will take place in the second half of the fiscal year. When the December s. 13.10 request was made, the division was not certain about the amount of savings that would be realized in this appropriation beyond the \$10,100 transferred.

ANALYSIS

Tourism Promotion

Historically, more funds are expended for marketing summer activities than for any other season. Therefore, the department needs the unexpended funds from the first half of FY 1995-96 to fully fund all projects for the 1996 summer tourism campaign. However, the amount to be transferred should be reduced from \$895,200 to \$895,100 GPR to accurately reflect the balance in the tourism promotion account as of March 26, 1996.

General Program Operations and Heritage Tourism

In the second half of FY 1995-96 the department has to cover expenses, such as the Heritage Tourism Conference and the operation and rent of the Wisconsin Travel Information Centers. Due to the imbalance of expenditures in the first and second half of the fiscal year, the remaining funds in DOD should be transferred to the respective appropriations in the Department of Tourism. The requested transfer does not affect \$20,000 GPR set aside in appropriation s. 20.143 (2)(bm) -- Heritage Tourism for the DOD lapse plan.

RECOMMENDATION

Modify the request by decreasing the amount transferred from appropriation s. 20.143 (2)(b) to s. 20.380 (1)(b) by \$100 to \$895,100.

Prepared by: Jacqueline Jugenheimer  
266-7597



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*Tommy G. Thompson, Governor*  
*William J. McCoshen, Secretary*

March 18, 1996

The Honorable Ben Brancel  
Co-Chair, Joint Committee on Finance  
State Capitol, Room 107 South  
Madison, WI 53702

The Honorable Timothy Weeden  
Co-Chair, Joint Committee on Finance  
State Capitol, Room 115 South  
Madison, WI 53702

SUBJECT: s. 13.10 Request for Technical Adjustments to the Dept. of Tourism Budget

Dear Co-Chairs:

**Request:** The Departments of Development (DOD) and Tourism request the following adjustments to properly align funding between the two departments: (1) decrease s. 20.143 (2)(a)--Tourism General Program Operations by -\$40,000 GPR in FY96 and increase s. 20.380 (1)(a)--Tourism General Program Operations by \$40,000 GPR in FY96, (2) decrease s. 20.143 (2)(b)--Tourism Marketing by -\$895,200 GPR in FY96 and increase s. 20.380 (1)(b)--Tourism Marketing by \$895,200 GPR in FY96, (3) decrease s. 20.143 (2)(bm)--Heritage Tourism Pilot Program by -\$3,400 GPR in FY96 and increase s. 20.380 (1)(bm)--Heritage Tourism Pilot Program by \$3,400 GPR in FY96.

**Background:** The 1995-97 Biennial Budget Bill (1995 Act 27) created the Department of Tourism effective January 1, 1996 and divided Tourism's FY96 appropriations between the Department of Development and the Department of Tourism. Technical changes to the spending authority are requested to reflect each department's financial liability and to allow Tourism to have the full year of funding. A similar request was submitted and approved at the December, 1995 s. 13.10 meeting. This request provides the final adjustments.

The appropriations that have uncommitted balances support general program operations, tourism marketing and heritage tourism. Tourism's costs for the second half of FY96 include operation and rent of the Wisconsin Travel Information Centers, the spring and summer marketing campaign and the heritage tourism conference and project assistance.

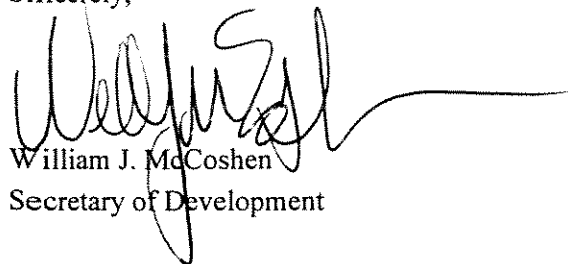
The following tables reflect the uncommitted balances maintained in the DOD appropriations relating to Tourism:

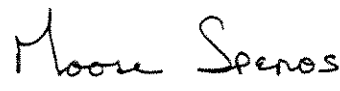
<b>General Program Operations</b>	<b>Uncommitted Balance</b>	<b>Rounded</b>
Permanent Salaries (GK1)	\$16,596.23	\$16,500
LTE Salaries (GK2)	\$675.86	\$600
Supplies and Services (GK4)	\$22,902.37	\$22,900
Permanent Property (GK5)	\$73.00	\$0
TOTAL	\$40,247.46	\$40,000
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<b>Tourism Marketing</b>	<b>Uncommitted Balance</b>	<b>Rounded</b>
Supplies and Services (GM4)	\$722,845.79	\$722,800
Aids to Individuals and Organizations (GM8)	\$172,424.87	\$172,400
TOTAL	\$895,270.66	\$895,200
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<b>Heritage Tourism</b>	<b>Uncommitted Balance</b>	<b>Rounded</b>
Fringe Benefits (GR3)	\$236.67	\$200
Supplies and Services (GR4)	\$3,271.66	\$3,200
TOTAL	\$3,508.33	\$3,400

The amount for heritage tourism is in addition to the \$10,100 adjustment that the Committee approved at the December meeting. Also, it does not include \$20,000 that was submitted as part of the Department of Development's lapse plan as required under 1995 Act 27, section 9116 (6g).

We would be happy to discuss this request with you.

Sincerely,

  
William J. McCoshen  
Secretary of Development

  
Moose Speros  
Secretary of Tourism

cc: Secretary James R. Klauser, Department of Administration  
Jacky Jugenheimer, State Budget Office  
Ron Shanovich, Legislative Fiscal Bureau