

SENATE HEARING SLIP

(Please Print Plainly)

BS 201

DATE: 25 APRIL

BILL NO. SB 55

OR

SUBJECT _____

Bill Geist

(NAME)

Box 45445 MADISON

(Street Address or Route Number)

53744

(City and Zip Code)

WAVERB / WTR

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 4/25/01

BILL NO. SB 55

OR

SUBJECT Tourism items in

Budget

Kathi Kilgore

(NAME)

2801 Fish Hatchery Rd

(Street Address or Route Number)

MADISON 53713

(City and Zip Code)

WTE RESTAURANT B35N.

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY.**

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

VII. Senate Bill 55 / Assembly Bill 144

Relating to: the biennial Wisconsin State
Budget and issues pertaining to Insurance,
Tourism and Transportation.

Register in ~~Wisconsin~~ for information

Barb Linton -
WI Innkeepers

Kathy Kilgore - WI Restaurant Assoc

Bill Geist - WIADVR / WTF

Convention? Visitors
Bureaus

VIII. CLOSE PUBLIC HEARING



DATE: April 25, 2001

TO: Senate Committee on Insurance, Tourism and Transportation
Senator Roger Breske, Chairman

FROM: Kathi Kilgore, Director of Government Relations
Wisconsin Restaurant Association

RE: Tourism items in SB 55, the 2001-2003 Wisconsin State Budget

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The Wisconsin Restaurant Association represents over 7,000 restaurants in Wisconsin. These units are from every segment of the industry from fast service to up-scale fine dining. Our membership also includes hotel restaurants, caterers and banquet facilities. Virtually all of our members benefit from tourism in some form, whether it be individual and family vacationers, business travelers, or conventioners. It is safe to say that without tourism, the restaurant industry would not be as dynamic or successful as it is. For this reason, we offer these comments on tourism related items in Senate Bill 55.

**Department of Public Instruction Budget: School start date (pg. 559)**

**Hearing date:** Current law requires the start of the fall semester begin on or after September 1st. If a school district wishes to opt out, it must hold a public hearing relating to the school start date no earlier than July 1st of the school year. The Governor's Budget changes the date for the required public hearing to May 1st of the previous school year. WRA is opposed to this change.

Moving the hearing date back to May simply makes it easier for school districts to opt out, which is what the majority are already doing. We do not believe that the intent of the law was to make it easy for school districts to opt out, but to provide a vehicle to have an earlier start date for extraordinary circumstances. What WRA really wants is a permanent, uniform statewide school start date of September 1st or later. At least the current law, by its difficulty, points school districts toward the September 1st date.

**If the hearing date were to be changed, WRA would want the two following provisions:**

1. **Disallow school districts from having any preliminary hearings on the start date prior to the specified hearing date.** What many of the districts do now is hold preliminary hearings and then announce a "tentative" start date, which essentially tells district residents they do not need to attend the hearing after July 1st, thus making the law a sham.

2. **Change the date for the required hearing to the school district's Annual Meeting, beginning in the year 2002.** This would give school districts plenty of time to know the will of the people prior to beginning the collective bargaining process. With this change, the hearing on the start date would only be held once every two years because of the bargaining cycle. The Annual Meeting is the one meeting at which the districts are likely to have larger numbers of district residents in attendance. They can receive input on the start date at the same time their budget is being debated.

**Four-day Labor Day weekend:** The Governor's budget prohibits school districts from holding classes on the Friday before Labor Day in 2001 or 2002. WRA supports this concept if it is changed to be permanent, not sunseting in 2002. We believe this would be very popular with parents, as it will give them the last weekend of summer without having to take their children out of school. In years when September 1st is on a Friday, it prevents school districts from beginning school on the day before the holiday as a way of convincing parents that September 1st is a bad idea.

**Special Study Committee created:** This issue has been studied to death and from every angle. It has been studied under three different Governors and there has been a Legislative Council study, a blue Ribbon Task Force report, and various other studies and even surveys. The results are pre-destined. The tourism industry wants and will benefit financially from a September 1st start date. The State of Wisconsin will benefit financially from a September 1st start date. Working students will earn more money for college, to help their families or to spend. Every public opinion survey taken in the last 10 years, including the one attached, has shown overwhelming support for a September 1st start. We don't need another study. WRA is opposed.

**Department of Tourism Budget: Tourism promotion expenditures (pg. 644)**

The Governor's budget proposal reduces the tourism marketing appropriation by \$597,900 each year of the biennium, equaling a decrease of \$1,195,800. We request this funding be restored.

WRA understands the state's fiscal resources are very tight. However, it does not make sense to cut an expenditure that is proven to return more money to Wisconsin in state and local taxes and fees than is spent. Tourism marketing by the state is an investment that has a quantifiable return.

In a 1998 study entitled "Wisconsin's Tourism Industry Promotional Expenditures and the Relationship to Traveler Expenditures," the Department of Tourism projected that for every million dollars that is spent on tourism promotion, \$17.3 million is returned in taxes and fees to the state and \$12.5 million is returned to local units of government.

In light of this, it seems to us that it makes good sense to restore and even to increase the money for the Department of Tourism's budget request. Doing so will generate additional revenue for other needed programs.



# WISCONSIN TOURISM FEDERATION

## Members

- American Automobile Assoc.
- Assoc. of Wisconsin Tourism Attractions
- Golf Course Owners of Wisconsin
- Outdoor Advertising Assoc. of Wisconsin
- Tavern League of Wisconsin
- Wisconsin All Terrain Vehicle Association
- Wisconsin Association of Campground Owners
- Wisc. Assoc. of Convention & Visitors Bureaus
- Wisconsin Dells Visitors & Convention Bureau
- Wisconsin Grocers Assoc.
- Wisconsin Innkeepers Association
- Wisconsin Manufacturers & Commerce
- Wisconsin Restaurant Association
- Wisconsin Wholesale Beer Distributors Association

## Wisconsin Tourism Federation School Start Date Survey Fact Sheet

*The Wisconsin Tourism Federation commissioned a statewide telephone survey to determine support for a September public school start date. Researchers conducted 400 interviews with a random sampling of parents of children attending public K-12 schools. The results were clear. The majority of parents said they supported a September school start date -- and they also felt school districts should consult parents when setting school calendars.*

### The facts

- **Almost three-quarters of the survey respondents -- 71 percent -- said they favored school starting on or after Sept. 1 and ending no later than the first week of June. A bit more than one-fifth -- 22 percent -- were opposed to the change, and 7 percent were undecided.**
- **When asked if they favor a September start date even if school lasted until the second week of June, 51 percent of respondents said they still support the later start date. Thirty-seven percent were opposed and 12 percent were undecided.**
- **Seventy-two percent of those surveyed said it is wrong for the school board to set the school calendar without consulting parents.**
- **Seventy-three percent of parents agreed that a September school start date would allow more time for family vacations. Sixty-three percent said it would make summer less hectic for families, and 61 percent said it would provide a better balance between family life and school.**
- **Three-quarters of survey respondents -- 75 percent -- said a September school start date would allow students to work at summer jobs longer before classes start.**
- **Other reasons parents cited in the poll for supporting the September school start date included: an interest in doing family activities through the end of August; it's too hot in late August to be in school; the state would be uniform on school start dates; and, it avoids the "hassle" of sending children to school for a few days and then have them off again for the Labor Day holiday.**
- **The majority of survey respondents said they vacation during the summer months of June, July and August. July is the most popular vacation month, with 47 percent of respondents saying they take vacations in July. August (30 percent) was the second most popular month for vacations, and June was the third (27 percent).**
- **Almost one-third of respondents -- 30 percent -- prefer to take a summer vacation in August. Forty-seven percent of those surveyed said their children were involved in summer activities. Of those, 32 percent said those activities lasted until July 30 and 30 percent said they lasted until August 15, making late August the only option for a family vacation.**
- **Most respondents had from one to three children enrolled in Wisconsin public schools. Two-thirds of the respondents were women and the average age was 41 yrs.**

The Federation of Wisconsin Hospitality/Tourism/Recreation Groups

44 E. Mifflin St., Suite 101, Madison, WI 53703 • 608-286-9599 • Fax 608-286-0766

March 2000

**Wisconsin's Tourism Industry Promotional Expenditures  
and the  
Relationship to Traveler Expenditures**

**SUMMARY**

**June 30, 1998**

**Background:**

Wisconsin tourism industry's promotional activities are designed to create a favorable image; a motivation or a call to action; and offer a variety of informational sources for planning, trial and repeat visitation.

Under the current competitive pressures for the leisure dollar, the tourism industry not only competes with other destinations for the vacationers' leisure dollars, it also competes with many other options for consumers' overall discretionary income. This means that the industry is also in competition with a vast array of other media messages. Current research indicates that it takes between 10 - 15 exposures to media messages to impact the consumer and motivate a positive action.

**Assumptions:**

An analysis of the relationship of Wisconsin's tourism industry promotional activities and traveler expenditures was conducted to determine the economic impact of promotional expenditures on resultant visitor expenditures.

The net traveler expenditure data was compared to the majority of state and private sector promotional investments. A relationship between promotional investments and net traveler expenditures was constructed and a return on investment was calculated. This assumes that existing tax structure and consumer spending patterns are the same as exist under the 1996 period analyzed.

**Findings:**

A formula was created by extracting specific spending data by "trip purpose" from the Davidson-Peterson study. The selection identified and segregated spending generated from meetings and conventions and pleasure travel expenditures. Pleasure travel data from the department's In-Market study was utilized to identify Wisconsin vacation frequency percentages for pleasure travelers. Two separate calculations were made by frequency type - those who vacation in Wisconsin three times or less within a year and those that vacation two times or less per year. The expenditure ratio differentials for each pleasure travel frequency type were combined with the percentage distributions for summer, fall and winter. The seasonal results of the 2 or fewer trips group was added to the expenditure estimates from the seasonal meetings and conventions category. The total expenditure estimates of the 2 or fewer and the meetings and conventions travelers are determined to have the highest probability of being directly impacted by advertising campaigns.

It was determined that the impact of every additional \$1 million in promotional dollars from the two or fewer annual vacation group and the meetings and conventions travelers is \$177 million in travel expenditures. This translates into a total impact of approximately \$17.3 million in state tax revenue and \$12.5 million in local tax revenues for every additional \$1 million in promotional investment.

**Limitations:**

Uncontrollable variables such as inclement weather and soft consumer economic conditions appear to have a negative impact on overall annual traveler expenditures, particularly those whose travel is discretionary.

It is estimated that these impacts fall in a range from 3% to 8% depending upon the relative length and severity of these conditions either independently or in conjunction. This implication was derived from comparing annual climate data and treasury bill rates for the 1990 - 1996 period.

It is assumed that business travel is not significantly impacted by adverse climate (poor snow/cool wet summers). It is also assumed that day trips by leisure travelers are less impacted by weather due to greater flexibility in leisure travel timing.

The impact of traveler expenditures in this model does not take into account increases in media costs. As the cost of media increases, the effective buying power of a static promotional budget diminishes and can negatively impact leisure traveler expenditures. Better targeting of high quality media messages can, to some extent, off-set the negative budgetary impacts of media cost increases. The model does take into account the current media competitive mix. The promotional campaign studied does not exist in a vacuum. The traveler expenditures used reflect the effects of the current competitive environment posed by the efforts of our neighboring states as well as those other entities competing for the travelers' leisure dollar.

Finally, the quality and frequency of promotional messages and the resultant impact on awareness, motivation and trial will vary. The specific impact of promotional messages is difficult to measure simply due to the complexity of the psychological factors inherent in the relationship between promotion and behavior. Lacking more precise baseline data, and the cost of procuring more refined input for the model, we believe that these estimates provide a reasonable range of estimates for the purpose of this study.



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Lodging Industry  
for Over 100 Years

## TESTIMONY

Senate Insurance, Tourism, and Transportation Committee  
April, 2001

Submitted by: Trisha A. Pugal, CAE, President, CEO  
Barbara Linton, Lobbyist  
Wisconsin Innkeepers Association

The Wisconsin Innkeepers Association, representing 1,200 hotels, motels, resorts, inns, and bed and breakfasts throughout Wisconsin, respectfully requests the Committee to consider the following positions in the State Budget Bill:

- \* Oppose any reduction in the Budget of the Department of Tourism. Money spent on tourism promotion generates considerably more sales tax revenue for the state.
- \* Oppose a new sales tax on the purchase of custom-built computer software programs, which are currently exempt.
- \* Support the proposal to not hold school for K-12 the Friday before Labor Day, but revise the language restricting this only to 2001 and 2002.
- \* Oppose shifting the date for School Boards to vote to "opt-out" of the law requiring K-12 public schools to start after September 1st.
- \* Support creation of a study committee to evaluate the educational and economic impact of requiring K-12 schools universally to start September 1 or later.
- \* Oppose the setting of goals within the Budget to considerably increase local ordinances banning any smoking in restaurants.

Your consideration of these positions is appreciated.

1025 S. Moorland Rd.  
Suite 200  
Brookfield, WI 53005  
262/782-2851  
Fax: 262/782-0550  
wia@execpc.com  
<http://www.lodging-wi.com>

cc: WIA Executive Committee



TAP/mv/4/17/01