



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #170

Tribal Gaming Revenue Allocations

Travel Information Center LTE Funding (Tourism)

[LFB 2001-03 Budget Summary: Page 645, #6]

CURRENT LAW

The Department operates 13 Wisconsin travel information centers (WTICs), which are intended to offer highway and urban travelers a convenient source of information concerning Wisconsin tourism. Individual communities and attractions may provide promotional literature to one or more WTICs for distribution, with Tourism approval. The centers also distribute information produced by the Department, such as calendars of events and general promotional brochures. Ten WTICs are located on major state highways at entry points to the state near Kenosha, Genoa City, Beloit, Kielers, Prairie du Chien, La Crosse, Hudson, Superior, Hurley and Marinette. Other centers are located in Chicago and Madison. The newest WTIC, which opened in Bloomington, Minnesota in June 2000, is located in Minnesota's Mall of America. The 1999-01 biennial budget bill provided 1.0 PR position from tribal gaming revenues to staff the center.

GOVERNOR

Provide \$84,000 annually from tribal gaming revenues for 8,000 hours of limited-term employees (LTE) to operate the Wisconsin travel information center located in the Minnesota Mall of America.

DISCUSSION POINTS

1. The Department rents space for four WTICs (Bloomington, Chicago, Madison and Prairie du Chien) and has an agreement with the Department of Transportation for space at another eight centers (the City of Marinette owns its facility, although it is staffed by Tourism). In 1999-00, the Department expended \$125,400 for rent and other costs associated with the four privately rented

spaces and approximately \$428,300 for costs associated with the eight DOT travel center spaces. Rent at the Mall of America is anticipated to cost \$100,000 in 2000-01 and may increase significantly, depending on contract negotiations, for future years. Of the 2000-01 estimated amount, \$75,000 is from the Department's marketing appropriation and \$25,000 is from Tourism's general program operations appropriation. Total operations (including rent) for the WTIC's cost approximately \$1.55 million in 1999-00.

2. Since the Mall of America WTIC opened in June, 2000, Tourism has been using marketing appropriation funding for LTE salaries to staff the center. Further, the agency only requested additional LTE funding for 2002-03. The Department indicates that if additional LTE funding is not provided in the bill, they will again reallocate funding from other marketing activities to staff the Minnesota WTIC. Under the bill, Tourism is allocated nearly \$7.1 million GPR and \$4.0 million in tribal gaming revenues annually for marketing activities. As the main focus of a WTIC is to promote state tourism, it could be argued that using currently provided marketing funds would again be appropriate. However, funding for other WTICs (outside of the Mall staff position funded by tribal gaming revenue in 1999 Act 9) currently is provided primarily from the Department's general program operations appropriation. Since Minnesota WTIC costs are currently funded from marketing appropriations, one alternative would be to provide tribal gaming revenues for operation of the Minnesota WTIC and delete a corresponding amount of GPR marketing funding.

3. Since July, 2000 (the first full month the Minnesota WTIC was open), the thirteen WTICs reported an average of over 3,200 visits per site by groups or individuals per month at all open WTICs. In comparison, the Minnesota WTIC received nearly 1,800 visits per month. On average, the Mall of America WTIC received fewer visits than most centers in summer months and more visits than most other open facilities during winter months. The following table provides information on visits to Wisconsin WTICs. It should be noted that four facilities are open on a seasonal basis only.

**Visits to Wisconsin Travel Information Centers
July 2000 to February 2001**

<u>WTIC</u>	<u>July-October</u>		<u>November-February</u>		<u>TOTAL</u>	<u>Avg/Month</u>
	<u>TOTAL</u>	<u>Avg/Month</u>	<u>TOTAL</u>	<u>Avg/Month</u>		
Beloit	57,683	14,421	15,493	3,873	73,176	9,147
Kenosha	40,744	10,186	7,189	1,797	47,933	5,992
Prairie du Chien	17,555	4,389	0	0	17,555	4,389
La Crosse	25,732	6,433	5,181	1,295	30,913	3,864
Grant County	15,306	3,827	0	0	15,306	3,827
Genoa City	13,375	3,344	0	0	13,375	3,344
Hudson	19,909	4,977	4,208	1,052	24,117	3,015
Hurley	15,899	3,975	2,990	748	18,889	2,361
Superior	15,407	3,852	1,965	491	17,372	2,172
<i>Mall of America</i>	8,978	2,245	5,357	1,339	14,335	1,792
Marinette	6,471	1,618	0	0	6,471	1,618
Chicago	7,999	2,000	2,494	624	10,493	1,312
Madison	5,195	1,299	2,223	556	7,418	927
TOTAL	250,253	4,813	47,100	1,308	297,353	3,232

4. Many centers depend on limited-term employee staff to serve as support during peak seasons. In 1999-00, in addition to funding 20.25 permanent staff in WTICs, approximately nine full time equivalent LTEs were funded. Thus, about 2.25 staff are used to fully operate the average WTIC. Under the bill, over 4.75 staff would be used to operate the Minnesota WTIC. The state's lease agreement with the Mall of America requires the Department to staff the site during all regular mall hours. With the Governor's recommendation, funding is provided for the WTIC to have 2.5 employees (including the currently authorized permanent staff position) in the store during all business hours. Since visitor numbers have been lower at the Mall of America WTIC than at other centers, it could be argued that a reduced level of staffing may be adequate. Providing \$63,500 annually rather than \$84,000 annually would allow the Department to have an average of two employees staffing the Mall of America WTIC during all business hours.

5. Tourism officials indicate that LTE funding is more desirable than permanent staff because of the extra flexibility limited-term employees provide. The Department has used short-term lease agreements at the Mall of America and has yet to decide whether to remain at the site long-term. Therefore, the Committee could choose to provide any LTE funding on a one-time basis. Since the Minnesota WTIC has been open less than a year, it may be too early to project whether the number of visitors at the site will increase and whether the state will receive an adequate rate of return on its promotion at the Mall. Further, providing one-time funding would allow the Legislature to evaluate the effectiveness of the site next biennium before granting additional funding.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$84,000 annually from tribal gaming revenues for 8,000 hours of limited-term employees (for an average of 2.5 staff during all operating hours) to operate the Wisconsin travel information center located in the Minnesota Mall of America.

2. Provide \$63,500 annually from tribal gaming revenues for 6,054 hours of limited-term employees (for an average of 2.0 staff during all operating hours) to operate the Wisconsin travel information center located in the Minnesota Mall of America.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	- \$41,000

3. In addition to any other alternative, delete \$84,000 annually from the Department's GPR marketing appropriation.

Alternative 3	GPR
2001-03 FUNDING (Change to Bill)	- \$168,000

4. In addition to Alternative 1 or 2, provide that funding is one-time.
5. Maintain current law.

Alternative 6	PR
2001-03 FUNDING (Change to Bill)	- \$168,000

Prepared by: David Schug