

# TOURISM

<b>Budget Summary</b>							
Fund	2018-19 Base Year Doubled	2019-21 Governor	2019-21 Jt. Finance	2019-21 Legislature	2019-21 Act 9	Act 9 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$10,283,400	\$17,291,900	\$11,171,400	\$11,171,400	\$11,171,400	\$888,000	8.6%
FED	1,532,400	1,541,800	1,541,800	1,541,800	1,541,800	9,400	0.6
PR	19,199,000	19,743,600	18,809,000	18,809,000	18,809,000	- 390,000	- 2.0
SEG	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$34,221,800</b>	<b>\$41,784,300</b>	<b>\$34,729,200</b>	<b>\$34,729,200</b>	<b>\$34,729,200</b>	<b>\$507,400</b>	<b>1.5%</b>

<b>FTE Position Summary</b>						
Fund	2018-19 Base	2020-21 Governor	2020-21 Jt. Finance	2020-21 Legislature	2020-21 Act 9	Act 9 Change Over 2018-19 Base
GPR	29.00	35.00	32.00	32.00	32.00	3.00
FED	1.00	1.00	1.00	1.00	1.00	0.00
PR	4.00	1.00	1.00	1.00	1.00	- 3.00
SEG	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>34.00</b>	<b>37.00</b>	<b>34.00</b>	<b>34.00</b>	<b>34.00</b>	<b>0.00</b>

## Budget Change Items

### 1. STANDARD BUDGET ADJUSTMENTS

GPR	\$264,700
PR	74,800
FED	<u>9,400</u>
<b>Total</b>	<b>\$348,900</b>

**Governor/Legislature:** Provide adjustments to the agency base budget for the following: (a) full funding of continuing position salaries and fringe benefits (\$126,400 GPR, \$37,400 PR, and \$4,700 FED annually); and (b) full funding of lease and directed moves costs (\$3,100 GPR in 2019-20 and \$8,800 GPR in 2020-21).

### 2. INCREASE OUT-OF-STATE MARKETING [LFB Paper 690]

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,186,700	1.00	-\$5,186,700	- 1.00	\$0	0.00

**Governor:** Provide \$4,000,000 GPR in 2019-20 and \$1,000,000 GPR in 2020-21 in the Department's GPR marketing appropriation. Further, provide 1.0 GPR position with \$80,000 GPR in 2019-20 and \$106,700 GPR in 2020-21 in the Department's general program operations appropriation to support the increased marketing funding. The administration indicates it intends for the funds to supplement out-of-state marketing of Wisconsin as a cultural and recreational destination.

Tourism marketing funds support advertising contracts with private firms to advertise Wisconsin tourism destinations primarily within the state and region. Direct advertising and marketing efforts totaled approximately 82% of marketing expenditures in 2017-18, with the remainder supporting grant programs, market research, publications, and other costs.

**Joint Finance/Legislature:** Delete the proposed 1.0 GPR position and associated funding. Provide \$781,800 GPR each year in additional marketing funding, rather than the amount recommended, to adjust base marketing appropriations for a measure of inflation in the Midwest since the last increase in 2013. Further, appropriate funding under the Joint Committee on Finance's supplemental appropriation. Tourism may submit a request under s. 13.10 of the statutes for release of the funding. [See "Program Supplements."]

The table shows budgeted amounts under the base and Act 9. Other changes to marketing funding reflected in the table are discussed in the following summary entries.

**Tourism Marketing Appropriations**

<u>Fund</u>	<u>Base</u>	<u>2019-20</u>	<u>2020-21</u>
GPR	\$1,827,100	\$2,080,400*	\$2,571,000*
Tribal Gaming PR	9,127,100	9,127,100	9,127,100
Transportation Fund SEG	<u>1,591,400</u>	<u>1,591,400</u>	<u>1,591,400</u>
Total	\$12,545,600	\$12,798,900	\$13,289,500

\* This assumes Tourism receives the full amount set aside under the Committee's supplemental appropriation under a subsequent Committee vote.

**3. VIDEO PRODUCTION STAFF [LFB Paper 691]**

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$790,000	2.00	-\$790,000	-2.00	\$0	0.00

**Governor:** Provide 2.0 positions with \$374,200 in 2019-20 and \$415,800 in 2020-21 in the Department's general program operations appropriation. Funding would consist of \$101,400 in 2019-20 and \$135,400 in 2020-21 for salary and fringe benefits, and \$272,800 in 2019-20 and \$280,400 in 2020-21 for supplies and services. The administration and Tourism intend for the positions to better support marketing campaigns by increasing the Department's capacity to create promotional videos in-house.

**Joint Finance/Legislature:** Instead of providing new positions, convert 2.0 vacant positions to video production staff and provide \$28,500 in 2019-20 and \$37,900 in 2020-21 to reflect increased salary and fringe benefit costs of the positions to be assigned to video production. Additionally, provide \$250,000 each year of the Governor's recommended amounts as one-time funding in general program operations for supplies and services costs associated with purchase of video production equipment. Reduce the Department's GPR marketing appropriation by \$528,500 in 2019-20 and \$37,900 in 2020-21 to offset funding provided for video production staff. As a result of the reallocation of funding and vacant positions, the provision does not increase funding or positions relative to the agency base.

**4. CREATE OFFICE OF OUTDOOR RECREATION**  
[LFB Paper 692]

	Funding	Positions
GPR	\$623,300	3.00

**Governor:** Provide 3.0 positions with \$274,300 in 2019-20 and \$349,000 in 2020-21 to create an Office of Outdoor Recreation. Funding would be provided under the Department's general program operations appropriation. The purpose of the Office is to promote Wisconsin's outdoor recreational opportunities and to connect businesses in the outdoor recreation industry.

**Joint Finance/Legislature:** Modify the Governor's proposal to provide funding on a one-time basis during the 2019-21 biennium, and specify that the positions are two-year project positions that expire June 30, 2021. Tourism's general program operations are budgeted at \$3.2 million GPR in 2019-20 and \$3.3 million GPR in 2020-21 with 29.0 positions.

**5. DELETE OFFICE OF MARKETING SERVICES** [LFB Paper 693]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$731,600	- 4.00	\$266,800	1.00	-\$464,800	- 3.00

**Governor:** Delete 4.0 positions and \$365,800 annually associated with the Office of Marketing Services (OMS). The administration indicates it intends deleted funding and position authority to be offset by creation of the Office of Outdoor Recreation (3.0 GPR positions) and provision of in-house video production staff (2.0 GPR positions), as discussed in other entries. While the provision would delete funding associated with OMS, the statutory authorization for the office would remain.

OMS provides state agencies services such as marketing plan development, market research, public relations, and advertising. Under the arrangement, Tourism assesses state agencies charges for marketing services sufficient to cover Tourism's cost in providing the services. Recent projects have included recruitment videos, marketing of annual conferences, awareness campaigns for state programs, and agency publications. In 2017-18, Tourism provided 2,100 hours of staff time to 22 projects, with revenue of \$166,200.

**Joint Finance/Legislature:** Restore 1.0 OMS director and \$133,400 annually.

**6. NATIVE AMERICAN TOURISM OF WISCONSIN MARKETING [LFB Paper 690]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
PR	\$200,000	-\$200,000	\$0

**Governor:** Provide an additional \$100,000 each year in Tourism's tribal gaming PR marketing appropriation to promote tourism featuring Native American heritage and culture. The funding is intended to increase the Department's contract with Native American Tourism of Wisconsin (NATOW) from \$200,000 to \$300,000 annually. Currently, Tourism contracts with NATOW to promote awareness of Wisconsin's Native American tribes and the tribes' tourist destinations, including notable cultural and natural sites. During the 2017-19 biennium, this contract was \$200,000 each year. [See "Administration -- Division of Gaming."]

**Joint Finance/Legislature:** Delete provision. Maintain base-level tribal gaming PR-supported marketing of \$9,127,100 each year.

**7. RESTORE PERCENT FOR ART**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
PR	\$1,001,400	1.00	-\$1,001,400	-1.00	\$0	0.00

**Governor:** Restore the Percent for Art (PfA) program, which requires a percentage of state building costs be used to acquire and display works of art for public viewing. Previously, 2011 Wisconsin Act 32, the biennial budget act, deleted PfA, including its funding and positions.

Create a PR continuing appropriation with 1.0 position and \$500,700 each year within the Arts Board to receive all money from state agencies for acquisition and display of art in state buildings under PfA. Additionally, create a PR continuing appropriation within the Arts Board to receive a portion of funds received for PfA as necessary for administration of the program.

Require at least 0.2% of any appropriation for the construction or remodeling of eligible state buildings be spent for the acquisition and display of art within or on the grounds of the building, plus any administrative costs incurred by the Board. Specify the Building Commission may not approve a contract unless the proposed building, if eligible, complies with the requirements of PfA. Define work of art as any original creation of visual art, or a reproduction that is controlled by the artist as part of a limited edition. Define buildings subject to PfA as permanent structures that are normally occupied by state employees, wholly or partially enclosed, and used for performance of the functions of a state agency. Exempt from PfA: (a) any building

with total construction cost less than \$250,000; (b) any building or portion of a building not open to the general public in its normal use; and (c) game farms, fish hatcheries, nurseries, and other production facilities operated by the Department of Natural Resources.

For each construction project, require the Board to appoint a committee to review and recommend art to be displayed. Specify that each project's committee have at least five members, consisting of: (a) a member of the Arts Board; (b) two artists, art educators, art administrators, museum directors or curators, art critics, or art collectors; and (c) two project managers, architects, users of the proposed building, or members of the Building Commission. Require the Arts Board to select at least one work of art recommended by the advisory committee. In cases of contiguous buildings, authorize the Board, after reviewing recommendations of the advisory committee, to allocate art for display at the buildings as one project. Specify that the selection of art must represent a wide variety of art forms from the broadest feasible diversity of artists, except that preference must be given to Wisconsin artists.

For the purpose of procuring art for PfA, specify that any contract will assign ownership of the art to the state, but preserve the following considerations: (a) for an existing work, any remaining obligations the art's current owner may have to the artist; and (b) for works newly created or owned by the originating artist, the right of the artist to reproduce the art, including rights under federal copyright law, and the right of the artist to claim authorship of the art. Direct the Arts Board to ensure all art is installed within public view. In the case of new, original works of art, require the Board to ensure proper execution of the piece. Require the Board to cooperate with the Building Commission and artist to ensure maintenance of the artwork, allowing artistic alteration only with approval of the artist or their representative.

Specify that artwork must be displayed for at least 25 years, unless earlier removal is found to be in the public interest by the Board in consultation with the agency occupying the building. Require that art removed from display be loaned to an accredited museum in Wisconsin or other educational or public institutions capable of maintaining and exhibiting it.

**Joint Finance/Legislature:** Delete provision.

**8. STATE AID FOR THE ARTS [LFB Paper 694]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$143,800	- \$143,800	\$0

**Governor:** Provide an additional \$71,900 annually in the Arts Board's state aid for the arts appropriation. Under the Governor's proposal, the appropriation would be budgeted at \$431,200 annually. The amount is intended to represent a general increase in arts funding of 20%, and is not intended to target a specific grant program. Further, increased funding would be expected to assist with match requirements of federal funding received from the National Endowment for the Arts that the Board administers on behalf of Wisconsin. Arts Board grant programs support arts programming by nonprofit arts organizations, community groups, and local government agencies,

including performances, arts education for K-12 students, folk and traditional arts, and pass-through funding for regranting by local entities.

**Joint Finance/Legislature:** Delete provision. Maintain base-level GPR funding for state aid for the arts at \$359,300.