

State Tourism Promotion



Informational Paper 94

Wisconsin Legislative Fiscal Bureau
January, 2015

State Tourism Promotion

Prepared by

Paul Ferguson

Wisconsin Legislative Fiscal Bureau
One East Main, Suite 301
Madison, WI 53703
<http://legis.wisconsin.gov/lfb>

State Tourism Promotion

Introduction

The state has been involved in tourism promotion activities for more than 50 years. Chapter 403, Laws of 1959, directed the then-Department of Resource Development to survey the tourism industry, collect data on the scope of the industry and recommend ways and means of stimulating it. Over the past several decades, state-sponsored research of the tourism industry has continued, and tourism promotion has expanded to include such activities as: (1) advertising the state's scenic, historic, cultural, recreational and other attractions through Internet, print, radio and television communications; (2) providing information to prospective travelers by Internet and toll-free phone services; (3) developing cooperative marketing programs with the state tourism industry; (4) administering various tourism-related grants; and (5) administering tourism development programs that assist businesses and municipalities in identifying marketable features that may attract customers.

The Department of Tourism was established effective January 1, 1996. The agency, which had previously existed as the Division of Tourism Development within the Department of Development (DOD), was established as a separate department under 1995 Act 27. The Department is headed by a Secretary, who is appointed by the Governor and subject to Senate confirmation. In addition to being assigned responsibilities for tourism marketing, the Department also became partially responsible for the promotion of the state parks system, along with the Department of Natural Resources (DNR). In addition, the State Fair Park Board was attached to the Department of Tourism for limited administrative purposes.

The Department also assumed certain administrative responsibilities for the Lower Wisconsin State Riverway Board from DNR, as well as the Kickapoo Reserve Management Board and Wisconsin Arts Board from the Department of Administration (DOA). The Kickapoo Reserve Management Board and Arts Board are currently budgeted under Tourism, while the Lower Wisconsin State Riverway and State Fair Park Board are attached for administrative purposes only.

Council on Tourism. The Council on Tourism was created in 1987 to advise the state tourism agency. The Council's 21 members include 14 gubernatorial appointees, the Secretary of Tourism, the Executive Secretary of the Arts Board, the Director of the Historical Society (or designees), and four appointed state legislators, one from each party of both the Senate and Assembly. Nominations for appointments to the Council are sought from various associations, organizations and businesses related to tourism, including Native American tourism. Appointments attempt to reflect the diversity of the tourism industry and achieve geographical balance throughout urban and rural areas of the state. All members, except ex officio members, are required to have experience in marketing and promotion strategy.

The Council advises the Secretary when formulating an annual statewide tourism marketing strategy. The Department then considers this plan for marketing and promoting facilities and attractions in the state for the ensuing year. Additional Council subcommittees focus on particular aspects of the state's tourism program, as do other ad hoc committees Tourism has created to advise the Department on grant program administration and other marketing activities.

Economic Impact of Travel

Tourism is widely considered to be a significant part of the state economy. The Department of Tourism has regularly commissioned estimates of traveler activity, as have other state and regional tourism agencies around the country, to attempt to quantify the economic impacts of tourism. However, it is considered difficult to distinguish tourism, which would typically be described as discretionary leisure travel by persons from outside the area, from business travel or retail purchases of leisure goods by residents of an area.

From 1989 through 2010, Tourism contracted with the research firm Davidson-Peterson Associates, Inc., to conduct an annual study measuring the economic benefits derived from traveler spending in Wisconsin. Beginning in 2010, annual traveler expenditures and the resulting economic impacts are being estimated for Tourism jointly by Longwoods International and Tourism Economics.

Both Davidson-Peterson and Longwoods International derive estimates from surveys. The Davidson-Peterson study derived economic impact estimates through data collected from interviews with travelers, lodging owners and state residents. For example, in 2010 face-to-face interviews were conducted with approximately 1,500 persons traveling "outside of his or her normal routine" in all parts of the state and in all seasons of the year. These interviews attempted to determine spending by an average traveler on an average trip. Additionally, Davidson-Peterson completed approximately 2,900 surveys throughout the year with lodging properties to determine the number of paid overnight stays during the year. Approximately 800 interviews also were conducted by phone with randomly selected Wisconsin households to determine the number of unpaid overnight stays with family or friends

during the year.

In the currently commissioned study, Longwoods International relies on its Travel USA program, which randomly solicits survey participation each quarter from a national sample. For the study of the 2013 travel year and its impacts, Longwoods International received responses describing approximately 230,000 total overnight or day trips nationally, including approximately 3,500 persons identified as having taken an overnight visit to Wisconsin in 2013 and about 2,300 persons who took day trips in Wisconsin. It is analysis of these responses that forms the basis for estimates of total visitors, visitor spending and other visitor characteristics or demographics. Tourism Economics then uses these findings, in combination with other data sources, to estimate total traveler spending and further economic impacts.

Table 1 shows the estimates of traveler spending by Davidson-Peterson from 2003 to 2010, as well as the traveler spending estimates made by Tourism Economics for 2009 through 2013. Tourism had overlapping economic impacts estimates from both Davidson-Peterson and the Longwoods International-Tourism Economics

Table 1: Estimated Spending by Travelers

Calendar Year	Traveler Expenditures		Overnight Visits	
	Amount (Billions)	Percent Change	Number (Millions)	Percent Change
Davidson-Peterson				
2003	\$11.71	1.3%	38.6	1.6%
2004	11.78	0.6	39.1	1.3
2005	11.95	1.4	39.1	0.0
2006	12.83	7.3	40.5	3.4
2007	12.78	-0.4	38.3	-5.5
2008	13.12	2.7	37.2	-2.9
2009	12.09	-7.8	36.0	-3.2
2010	12.30	1.8	36.1	0.3
Tourism Economics/Longwoods International				
2009	\$8.52	--	31.3	--
2010	9.20	7.9%	33.3	6.4%
2011	9.90	7.6	34.8	4.5
2012	10.37	4.7	37.3	7.2
2013	10.84	4.5	38.0	1.9

studies for the 2009 and 2010 calendar years. The two approaches yielded substantially different estimates for the two years the studies overlap. Tourism reports this is due generally to the Longwoods International-Tourism Economics study using more conservative estimates of the portion of retail economic activity attributable to persons traveling from out of the area, although Longwoods International-Tourism Economics also incorporates certain estimates in categories Davidson-Peterson's studies did not, such as air travel expenditures and maintenance and capital improvements costs of second homes. However, the studies were somewhat consistent on the number of overnight visits estimated for the state. For 2013, Longwoods International also estimated day trips in Wisconsin totaled approximately 62 million person-trips. Davidson-Peterson measured travelers by person-visits, equaling one person on an overnight stay of any duration at one lodging establishment. For instance, a couple on an overnight stay at a single hotel would be two person-visits, but if the couple stayed at a second hotel, the activity would be counted as four person-visits. Longwoods International measures travel by person-trips. As an example, a family of four taking a multiple-night or single-

day trip would be considered four person-trips. Both methods of study include leisure travelers, vacation home owners, persons visiting friends or relatives, and business or convention travelers.

The U.S. Bureau of Economic Analysis estimates the nominal gross domestic product (GDP) of Wisconsin was approximately \$282.5 billion for 2013. The 2013 expenditure estimates therefore suggest direct traveler spending may account for perhaps 4% of total state GDP.

Tourism Promotion Funding

In creating the Department of Tourism, 1995 Act 27 consolidated staff and funding from DNR, the UW-Extension Tourism Resource Center, the Division of Tourism Development in DOD, and portions of DOA related to the Kickapoo Valley Reserve. Table 2 shows historic funding levels for tourism promotion and program operations. (Table 2 excludes the Kickapoo Valley Reserve and the Arts Board, although both are budgeted under Tourism.) In 2014-15, the Department is

Table 2: Tourism Promotion Funding Levels

Fiscal Year	GPR Tourism Marketing	PR Tourism Marketing	SEG Tourism Marketing	Total Tourism Marketing	GPR Program Operations	PR Program Operations	SEG Program Operations	Other GPR	Other PR	Tourism Total
2000-01	\$7,691,000	\$3,969,500	\$0	\$11,660,500	\$3,926,900	\$30,500	\$46,400	\$135,400	\$106,200	\$15,905,900
2001-02	6,434,300	3,969,500	0	10,403,800	3,988,000	126,500	49,100	41,900	106,200	14,715,500
2002-03	5,503,400	3,969,500	0	9,472,900	3,952,900	126,500	49,100	0	106,200	13,707,600
2003-04	5,186,400	3,969,500	0	9,155,900	3,562,200	129,700	54,600	0	106,200	13,008,600
2004-05	5,186,400	3,969,500	0	9,155,900	3,562,200	129,700	54,600	0	106,200	13,008,600
2005-06	0	9,115,700	1,600,000	10,715,700	3,354,100	189,500	12,200	0	106,200	14,377,700
2006-07	0	9,149,400	2,200,000	11,349,400	3,252,600	189,500	12,200	0	106,200	14,909,900
2007-08	0	9,149,400	2,200,000	11,349,400	3,573,100	101,600	12,200	0	106,200	15,142,500
2008-09	0	9,149,400	2,200,000	11,349,400	3,578,500	101,600	12,200	0	106,200	15,147,900
2009-10	0	8,213,600	1,757,100	9,970,700	3,002,900	0	12,100	0	106,300	13,092,000
2010-11	0	8,373,600	1,597,100	9,970,700	2,876,500	0	12,100	0	106,300	12,965,600
2011-12	1,172,000	9,557,900	1,595,900	12,325,800	2,756,100	0	12,100	0	106,300	15,200,300
2012-13	1,172,100	9,557,900	1,595,900	12,325,900	2,756,100	0	12,100	0	106,300	15,200,400
2013-14	1,827,100	9,127,100	1,591,300	12,545,500	2,685,000	0	12,100	0	110,100	15,352,700
2014-15	1,827,100	9,127,100	1,591,300	12,545,500	2,688,400	0	12,100	0	110,300	15,356,300

provided \$15,356,300 for tourism promotion functions, which includes: (1) \$4,515,500 in state general purpose revenues (GPR); (2) \$9,237,400 from program revenues (PR); and (3) \$1,603,400 from segregated (SEG) funds. The Department is also authorized 27.0 tourism development positions, all of which are GPR-supported. In addition, \$694,600 SEG and \$223,300 PR with 2.75 SEG and 1.25 PR positions are authorized for the administration and maintenance of the Kickapoo Valley Reserve, which is budgeted under Tourism. The Arts Board is budgeted \$754,900 GPR, \$758,700 in federal (FED) funds and \$44,900 PR with 3.0 GPR and 1.0 FED positions.

As shown in Table 2, tourism promotion-related appropriations have varied each fiscal year since 2000-01, but have remained within a range of \$13 million to \$16 million during that time. Tourism's operations and marketing-related activities through 1998-99 were funded primarily by GPR. Since then, the Department of Tourism also has been appropriated program revenue funding from tribal gaming receipts and other miscellaneous sources. Further, transportation fund segregated revenues have been provided for tourism marketing since 2005. The conservation fund also provides segregated funding, which was initially intended to support Tourism's promotion of state parks.

The Department's tourism marketing funding changed in the 2005-07 biennial budget. First, tribal gaming PR replaced Tourism's marketing GPR (\$5,186,400 annually). Second, a new biennial tourism marketing appropriation was created, with funding of \$1,600,000 SEG in 2005-06 and \$2,200,000 SEG beginning in 2006-07 provided by the transportation fund. These amounts were chosen to reflect the increased revenue deposited to the transportation fund expected to result from increasing the vehicle rental fee from 3% to 5% of the gross receipt of all vehicles rented within the state effective October 1, 2005. Tourism's GPR marketing appropriation was not budgeted any funds from 2005-06 through 2010-11. 2011

Act 32 appropriated \$1.2 million beginning in 2011-12 and 2013 Act 20 raised this to \$1.8 million GPR beginning in 2013-14.

Tourism's three primary marketing appropriations (GPR, tribal gaming PR and transportation SEG) are all biennial appropriations. Biennial appropriations allow Tourism to expend the total funds appropriated in the biennium at any point in the biennium, including transferring expenditure authority from the second year to the first year of a biennium. Unencumbered funds, if any, lapse back to the funding source at the close of the biennium, meaning remaining GPR and tribal gaming PR lapses to the state general fund and transportation SEG reverts to the transportation fund balance.

Based on preliminary 2013-14 state budget data collected by the U.S. Travel Association from state tourism agencies, Wisconsin ranked 17th in total tourism funding among the 44 states responding to the most recent survey. Wisconsin placed below the average state tourism budget (\$19.0 million) but above the median for state tourism budgets (\$13.6 million).

Table 3 compares the total projected Wisconsin Department of Tourism budget with those of other states in the region and indicates the change in funding levels for each state since 2000-01. Per-capita spending is based on the 2013 population estimates from the U.S. Census Bureau, which are the most current available as of November, 2014. For 2013-14, Wisconsin ranked third highest among the six states in both tourism budget totals and budgeted dollars per capita. Most of these states' tourism budgets are financed from state general fund taxes. Some state tourism offices are at least partly supported by special-purpose taxes, however, including those on casinos and gaming centers (Iowa) and hotel operators (Illinois). Michigan funds its tourism promotion solely with securitized proceeds of the state's tobacco settlement, although tourism office personnel are funded with general purpose revenues.

Table 3: Comparative Tourism Budgets

State	2000-01		2011-12		2013-14		Percent Change (FY 01 to FY 14)	
	Total (millions)	Per Capita	Total (millions)	Per Capita	Total (millions)	Per Capita	Total	Per Capita
Illinois	\$62.2	\$5.01	\$54.6	\$4.24	\$51.5	\$4.00	-17%	-22%
Indiana	4.5	0.74	2.4	0.37	2.4	0.37	-47	-52
Iowa	5.3	1.81	3.8	1.23	4.8	1.56	-9	-16
Michigan	15.9	1.60	27.4	2.78	31.4	3.18	98	97
Minnesota	11.4	2.32	8.3	1.56	13.9	2.57	22	8
Wisconsin	15.9	2.96	15.2	2.66	15.4	2.67	-3	-12
Combined Average	\$19.2	\$2.77	\$18.6	\$2.57	\$19.9	\$2.74	4%	-1%

Source: U.S. Travel Association, U.S. Census Bureau

Tourism Marketing Activities

The marketing component of the Department's budget directly affects the level of advertising and other activities that can be supported by Tourism. A total of \$12,545,500 is budgeted for marketing activities in 2014-15, with \$9,127,100 coming from tribal gaming PR, \$1,591,300 coming from transportation fund SEG and \$1,827,100 coming from GPR. These marketing funds will account for approximately 82% of the Department's total budget in 2014-15,

excluding budgets of the Kickapoo Valley Reserve and Arts Board. Table 4 provides a breakdown for tourism marketing expenditures in 2013-14. As the table indicates, most of the marketing expenditures were for advertising, with a significant amount also expended for grants, particularly the Joint Effort Marketing program. Expenditures shown in Table 4 do not include encumbered or other unexpended amounts Tourism has transferred to 2014-15 under its biennial expenditure authority for marketing. Therefore, expenditures shown in Table 4 are less than the total appropriations shown in Table 2 for the 2013-14 fiscal year.

Table 4: Tourism Marketing Expenditures (2013-14)

Category	Amount	% of Total
Advertising	\$7,854,785	63.5%
Joint Effort Marketing (JEM) Grant Program	1,000,601	8.1
E-marketing/Tourism website	773,562	6.3
Public Relations	680,631	5.5
Statutorily Specified Marketing	475,000	3.8
Other Grants	350,544	2.8
Tourism Impacts Research	252,275	2.0
Multicultural Marketing Program	249,285	2.0
Travel Wisconsin Welcome Centers	202,960	1.6
Association Dues and Miscellaneous	193,669	1.6
Customer Services	170,803	1.4
Printing (Travel Guides, Other Publications)	138,567	1.1
Travel Green Wisconsin	<u>33,962</u>	<u>0.3</u>
Total	\$12,376,644	100.0%

Annual Statewide Marketing Strategy

The Department is statutorily required to annually formulate a marketing strategy for Wisconsin destinations, which is to guide the decisions and expenditures made by the Department throughout the year. The statutes specify the Secretary is to form the annual marketing strategy under consultation with five selected members of the Council on Tourism, although Tourism reports the full Council customarily provides advice. In addition to guiding state-level tourism marketing, the Department is also directed to implement the marketing strategy in conjunction with the plans and programs of private tourism enterprises.

Advertising

The Department of Tourism manages the state's tourism marketing campaigns, which utilize print, billboard, Internet, email and other forms of advertising to encourage travel in Wisconsin. The Department reports that it focuses much of this advertising in large Midwest population centers such as Chicago, Minneapolis/St. Paul, and in-state areas such as Milwaukee, Madison, and the Fox Cities.

Tourism advertising campaigns, beginning in 2011, have been structured around consumers' travel motivations as revealed through research. Tourism reports the most consistently identified travel motivators have been enjoyment and fun, and campaigns have been created around such a theme. Tourism expects a research-based approach to advertising development would allow the Department to continually adapt its branding strategy to respond to shifts in consumer motivations.

The Department also offers opportunities through its co-op advertising program. The program is administered by Milwaukee-based advertising firm Laughlin Constable as part of a contract with Tourism for general marketing and

communications, which is discussed later in greater detail. The co-op program is intended to afford state destinations a large advertising audience, compared to what a destination may be able to reach by its own means, and at rates typically lower than what they would expect to pay individually. This would generally allow destinations the ability to advertise more economically in larger markets.

For the 2013-14 fiscal year, co-op advertising opportunities were available: (1) on Tourism's social media accounts on Facebook and Twitter; (2) on Tourism's Internet site, travelwisconsin.com; (3) in regular emails sent by Tourism to subscribers that have signed up with the Department to receive such communication; (4) in periodic special sections of high-circulation newspapers in the Midwest; and (5) on banner advertisements on major Midwest newspapers' websites. Rates in the platforms or publications of the conventional media are influenced by expected spending for the year in both Tourism's statewide marketing efforts and in individual purchases by Wisconsin destinations under the cooperative program. Co-op advertising packages via Tourism's social media accounts, emails and website are less expensive than placements in the platforms of conventional news outlets. Destinations book advertising through Laughlin Constable, which later bills participating destinations at the reduced rate. Tourism and Laughlin Constable report \$321,600 worth of advertising was purchased through the co-op advertising program in 2013-14.

Marketing Contracts. Tourism uses services of private firms under contract to carry out several of the marketing and advertising activities described earlier. Tourism is billed either by project or on a monthly basis, depending on the contract. Tourism reports these private firms provide marketing services on a more cost-effective basis than the Department would likely be able to provide on its own. For example, Laughlin Constable is responsible for Tourism's general advertis-

ing, including: (1) creating and placing general advertising in print, broadcast and Internet-based media; (2) public relations efforts; (3) marketing research; and (4) the co-op advertising program. Tourism indicates expenditures with Laughlin Constable could be \$8 million to \$9 million in 2014-15.

As of July 1, 2014, Tourism conducted multicultural advertising under contract with Creative Marketing Resources of Milwaukee to target communications to African-American, Hispanic, and Asian audiences. Payments under the contract are estimated at up to \$275,000 annually.

Tourism in recent years has contracted for Web-related services through Ascedia, also of Milwaukee. Ascedia provides various services related to content and technical administration of Tourism's websites, most notably travelwisconsin.com. Tourism reports it expects expenditures of perhaps \$600,000 to \$900,000 annually for Web-related contract services.

The most recent Laughlin Constable contract began July 1, 2014, and runs for three years with up to two one-year renewals (June, 2019). The multicultural advertising contract has an initial term expiring in October, 2014, with four one-year renewals (October, 2018). The Web services (Ascedia) contract expired in December, 2014, and was in the bidding process as of October, 2014.

It should be noted the Longwoods International and Tourism Economics research is done on a contract basis, at a cost of approximately \$250,000 annually. Tourism reports it exercised a one-year renewal beginning September, 2014, with another one-year renewal possible at Tourism's option beginning September, 2015.

Traveler Outreach

Tourism offers phone- and Internet-based services for prospective travelers seeking infor-

mation on destinations in the state. The Department's electronic platforms in particular, including its travelwisconsin.com Internet site and a Web-based application, or "app," for certain mobile phones, have become increasingly used by prospective travelers in recent years to find information on Wisconsin destinations. Tourism reports total user sessions on travelwisconsin.com and the Travel Wisconsin phone app were 3.28 million and 4.11 million in 2012 and 2013, respectively.

A primary means of the Department gathering information on attractions, accommodations, historic sites, restaurants and events throughout the state is its tourism database. The database accepts business or event entries directly or through chambers of commerce and convention and visitors bureaus that serve the area in which the attraction is located. Attractions listed in the database are the basis for much of the content appearing on travelwisconsin.com, as well as in other Tourism promotional materials. The database published approximately 20,300 events and destinations, as of August, 2014.

Further, Tourism operates toll-free informational phone numbers by which prospective visitors can contact the Department for trip planning assistance. Tourism received approximately 16,400 and 14,000 phone calls on its toll-free numbers in 2012 and 2013, respectively. Phone calls generally have decreased in recent years, due in part to prospective travelers seeking information online, as well as to the call center being operated internally beginning in 2010 and only on standard business days. Prior to 2010, Tourism's call center was operated by Lands' End in Dodgeville under contract, and phones were answered seven days a week.

Those who contact Tourism by phone, mail, e-mail or Internet can request to have informational packets sent to them. In 2012 and 2013, respectively, the Department sent approximately 31,400 and 37,500 packets.

Joint Effort Marketing Grants

In an effort to help nonprofit tourism promotion organizations publicize innovative events and attractions in the state, the Department administers a Joint Effort Marketing (JEM) grant program funded from the tourism marketing appropriations. Public agencies and private nonprofit organizations, including any tribal government or not-for-profit tribal entity, may submit applications for grants to develop publicity and produce and place advertising.

Under the JEM program, Tourism in general may pay up to 75% of the total promotional (marketing) budget for the first year of a project, up to 50% for the second year of a project, and up to 25% for the third year of a project, although not all types of JEM grants are eligible for multiple years of funding. JEM grants must also not exceed 50% of a project's total annual costs. Along with these annual percentage caps, Tourism has set annual dollar limits for each project type. These limits are noted below in the description of each grant, and the Department may change these limits each year. JEM grants may be used to fund promotional costs related to the following items and media: (1) magazines; (2) newspapers; (3) radio; (4) television; (5) e-mail; (6) Internet; (7) direct mail; (8) media kits; and (9) billboards. Expenses ineligible for JEM grants include: (1) operational costs; (2) local advertising; (3) research; and (4) posters and brochures that are not direct mailed.

Department staff review JEM grant applications and make recommendations to a review committee of the Council on Tourism. The review committee then forwards their selections to the Tourism Secretary for final approval. In order to make a grant, the Department must determine that: (1) the applicant has developed an advertising plan and budget; (2) the project coordinates with the statewide tourism marketing strategy; (3) the project has broad appeal and targets markets outside the local area; (4) the project will

generate a substantial increase in tourist visits and expenditures; (5) the applicant is able to pay its share of the project costs; and (6) if the project is a continuing event, it has the potential to be self-sufficient within three years.

Events awarded JEM grants in the 2013-14 fiscal year are listed in Appendix I. Table 5 summarizes eligibility and maximum yearly amounts for each type of JEM grant. It also includes current maximum individual grant amounts, and the amount awarded by Tourism for each category in 2013-14. The events receiving awards were scheduled to take place mostly from late 2013 to late 2014, and most reimbursement of these projects will occur throughout 2014-15. Section 41.17(5) of the statutes requires Tourism to expend at least \$1,130,000 annually on the JEM program. JEM expenditures for 2013-14 shown in Table 4 reflect reimbursements mostly for awards made in 2012-13. As such, JEM grant expenditures shown in Table 4 do not directly correspond to the grants shown by category in Table 5 and by award in Appendix I.

The JEM grant program offers five different grant options: (1) destination marketing; (2) new event; (3) sales promotion; (4) existing event; and (5) one-time/one-of-a-kind event. Unless otherwise noted, administrative rules limit individual grant awards to no more than 7% of the JEM budget for that year. For example, that would equate to \$79,900 under the \$1.13 minimum allocation. However, Tourism has established current limits at a lower threshold as noted in the following descriptions.

Unlike other JEM grants, destination marketing grants offer funding for the development or implementation of image-based marketing campaigns to promote traditionally slower seasons of tourism. Marketing projects must serve a regional interest, and projects must include at least three municipalities. By administrative rule, destination marketing grants may supply up to \$10,000 per municipality, with a maximum grant of

Table 5: Joint Effort Marketing (JEM) Grant Awards

Type	Description	Maximum Annual Project Amount	Years of Eligibility for Funding	2013-14 Awards
New Event	Projects promoting an inaugural event that is planned to continue in subsequent years.	\$39,550	Three*	\$403,300
Existing Event	Projects promoting an existing event but which target new geographic areas, new demographic audiences or use new media.	\$39,550	Two**	\$316,100
Sales Promotion	Projects that encourage visits from targeted markets by publicizing discounts or incentives.	\$39,550	Two**	\$33,800
One-Time/ One-of-a-Kind Event	Projects marketing unique events which are unlikely to return to an area but will generate regional or national media attention.	\$28,250	One	\$133,100
Destination Marketing	Projects involving three or more municipalities and appearing during low-traffic periods. Projects comport with the statewide marketing strategy and either attract regional and extended regional visitors or convention and motorcoach business.	\$10,000 (municipality) \$39,550 (project)	Three*	\$289,100
				<u>\$1,175,400</u>

* Funding may be awarded in nonconsecutive years.

** Funding must occur in consecutive years.

\$40,000 per project, although Tourism has set a cap of \$39,550 annually, consistent with other multi-year JEM grants. Projects are eligible for three years of grants, and the years may be nonconsecutive. In 2013-14, 12 destination marketing awards constituted \$289,100, or about 25% of the \$1.18 million awarded in JEM grants. Tourism administrative rules prohibit more than 50% of annual JEM awards going to destination marketing unless the secretary finds there is insufficient demand for other types of JEM grants.

New event JEM grants are for events that have not previously been held in a given community or area, but one that the applicant intends to repeat regularly. The current annual maximum award for a new event is \$39,550. Grants are available for a project for three years, and those years may be nonconsecutive.

A sales promotion grant may be made to sup-

port what is typically a six- to eight-week effort that promotes discounted prices to encourage visits by persons from a targeted market. This type of grant has a maximum award of \$39,550. Funding is available for up to two years, and the years must be consecutive.

An existing event grant may be awarded for advertising that targets a new geographic area, demographic audience or medium. Existing event grants may receive up to \$39,550 each year. Existing events may receive grants for two years, but the years must be consecutive.

A one-time/one-of-a-kind event grant may only be made to events that are so unique as to be unlikely to ever occur again and that have the potential to generate regional or national attention. These grants may be made for one year and may not exceed 75% of the promotional budget or 50% of the total project budget. Funding for

each one-time event is also limited by administrative rule to no more than 5% of the JEM budget for that fiscal year, or \$56,500 under the minimum \$1.13 million allocation. However, the Department has currently set \$28,250 as the maximum grant for one-time/one-of-a-kind events.

Earmarks

Tourism is required under the statutes to make expenditures to five designated entities or purposes, on varying annual or biennial bases as noted below. Tourism may use any of its three general marketing appropriations for these expenditures. The Department has mostly used tribal gaming PR for these purposes.

Multicultural Events. The statutes require Tourism to expend at least \$50,000 each biennium to conduct or contract for promotion of multicultural events taking place in Wisconsin. As of October 1, 2014, Tourism has allocated \$35,000 for the 2013-15 biennium as follows: (1) \$20,000 for the annual Mexican Fiesta in Milwaukee; (2) \$10,000 for the 2013 African World Fest in Milwaukee; and (3) \$5,000 for the Museum of Wisconsin Art in West Bend for expansion of its marketing efforts.

Prior to 2011 Act 32, the statutes earmarked \$50,000 biennially for America's Black Holocaust Museum in Milwaukee. However, the Museum closed in July, 2008, and although it has since resumed an online presence, it has not reopened a permanent physical location. The change in the earmark under Act 32 was intended primarily to reflect the change in the Museum's status.

Milwaukee Public Museum. The statutes require the Department to allocate \$200,000 each biennium in grants to the Milwaukee Public Museum to promote exhibits and activities at the Museum. Prior to 2011 Act 32, the statutes specified funding was to be for Native American exhibits and activities. However, several years prior

to the statutory change, regular state funding began to be directed toward other Museum marketing campaigns, and the 2011 Act 32 change made the earmark consistent with the more general promotion supported by state funding.

Tourism reports it reviews the marketing plans for the funds prior to authorizing funding for the campaign. In 2013-14, the earmark supported marketing activities primarily for the traveling exhibit "Body Worlds & the Cycle of Life," which was on display at the Museum from February to June, 2014.

Milwaukee Symphony Radio Show. The statutes also require that the Department of Tourism allocate \$25,000 annually for Milwaukee Symphony radio advertising. This funding is designated for advertising and sponsorship of Milwaukee Symphony radio show broadcasts.

Sports Marketing. The Department of Tourism is required by the statutes to expend at least \$125,000 annually to conduct or contract for marketing activities related to sporting activities and events. In 2013-15, the Department has allocated this funding to support: (1) general digital and print advertising and marketing for Wisconsin sporting events, including the SportsWisconsin.com website to market sporting events in Wisconsin; (2) market research of attendees of sporting events in Wisconsin; and (3) marketing Wisconsin as a destination for sporting events by participating in trade shows such as that of the National Association of Sports Commissions and the TEAMS (Travel, Events and Management in Sports) Conference and Expo.

Tourism also administers the Ready, Set, Go! grant program to assist destinations in securing competition-related events that are expected to generate an economic impact for the area, but that require an upfront financial commitment. Under the program, a grant may be up to 50% of eligible costs, with a maximum of \$20,000. Program funds may be used for bid fees, up-front

financial commitments paid directly to the event holder, and financial commitments needed to secure a venue for an event. Tourism formerly maintained a program requirement that the grantee was required to repay either 50% of the grant or 50% of the profit, whichever is less, should the event be profitable, but this requirement has been discontinued.

Tourism maintains a reserve of \$110,000 tribal gaming PR for Ready, Set, Go! grant funds, although Tourism generally does not count this grant program toward satisfying the statutory sports marketing requirement. In 2013-14, Tourism made 15 grants for a total of \$114,100 under the program. The Department accepts applications three times a year, on January 1, April 1, and September 1.

Native American Tourism of Wisconsin. Tourism is required to make grants of at least \$200,000 annually to Native American Tourism of Wisconsin (NATOW), a project of the Great Lakes Inter-Tribal Council (GLITC). NATOW promotes awareness of Wisconsin's Native American tribes and the tribes' tourist destinations, including notable cultural and natural sites. Tourism reports with funding provided during the 2013-15 biennium, NATOW revamped its Web and social media presence under the "Native Wisconsin" brand.

Meetings Mean Business Grants

Tourism administers Meetings Mean Business grants to improve, relative to other out-of-state locations, the position of Wisconsin destinations seeking to attract regional or national business meetings. The Department has set aside \$110,000 from its tribal gaming PR marketing appropriation for grants. Grants may be a maximum of \$20,000 per fiscal year for 50% of the costs of convention facilities rentals, shuttles or similar transportation costs within the destination city, or other hosting costs such as promotions of the host city or rebates for guest rooms. Applications are

reviewed three times annually, following April 1, August 1 and December 1 submission deadlines. Applications must be submitted at least 90 days prior to the convention or gathering. Applications must also be submitted by a local chamber of commerce, convention and visitors bureau or other similar destination marketing entity. This entity must also provide a funding match at least equal to any amounts provided by Tourism.

Organizations are ineligible for the Meetings Mean Business grant if: (1) a JEM grant was awarded for the same event [nor can a Meetings Mean Business grant recipient request a JEM grant for the event during the same fiscal year]; (2) they are a recipient of a statutory earmark, as discussed earlier; or (3) the event was secured for the destination city prior to the grant application. The program also is not open to destinations rotating only within the state or destinations for events routinely scheduled in Wisconsin.

Applications are evaluated based on several factors, including: (1) estimated visitor spending; (2) estimated hotel stays to be generated; (3) whether the increase in economic activity would take place in typical off-peak travel times; and (4) the financial commitments necessary to hold the event, including the approximate return on investments versus the resulting visitor spending. Tourism also requires submission of information on the event's last three years, including hotel nights booked, attendance and visitor spending.

Tourism awarded a total of 19 grants for \$103,400 and \$58,300 in 2012-13 and 2013-14, respectively. Grants awarded in those years are for events taking place as late as 2016.

Other Marketing Activities

The Department of Tourism markets Wisconsin as a traveler destination in various other ways. It produces several informational publications, which are distributed throughout the state, sent to persons calling the Department in re-

sponse to tourism advertisements, and posted on the Travel Wisconsin website. The Department also arranges customized familiarization tours to various parts of the state each year for travel writers. Further, the Department uses its website, call center, e-mail newsletters, direct mail newsletters, press releases, interviews and public service announcements to alert the public and the media of ski and snowmobile trail conditions, fall colors and upcoming events.

Other marketing efforts of the Department include: (1) conducting international tourism marketing promotions and advertising in conjunction with other area states through the Great Lakes USA, a marketing subprogram of the Council of Great Lakes Governors, and through Mississippi River Country, a group of the 10 states bordering the Mississippi River; and (2) promoting motor coach travel to Wisconsin. The Department has partnered with a motorcoach marketing organization, Circle Wisconsin, to support public relations and direct marketing efforts to tour operators who may be interested in bringing visitors to Wisconsin. In 2013-14, Tourism expended \$25,000 for Circle Wisconsin's marketing efforts.

The Department also promotes travel to state-owned or state-affiliated properties, including state parks, natural areas and historic sites. Tourism is appropriated \$12,100 annually for supplies and services, funded from the parks account of the conservation fund, to assist with promotion of state parks and natural areas operated by DNR. (A portion of Tourism's staffing at its 1996 inception consisted of 19.5 positions transferred from DNR in part to support state parks-related promotion and activities Tourism would implement.) Additionally, the Department reports it works with the Wisconsin Historical Society to promote travel to historic sites throughout the state.

Tourist Information Centers

Tourism currently has two main programs for supporting informational centers for travelers throughout the state. Each program is intended to replace functions Tourism formerly carried out with its own staff and funding in several Wisconsin Welcome Centers (WWCs) located at the state borders and in other high-traffic areas in and outside Wisconsin. The following paragraphs describe the history of the WWCs and two successor programs currently in effect: (1) Travel Wisconsin Welcome Centers, an initiative supported in part by Tourism marketing funds for organizations in communities that formerly had WWCs and that, in some cases, operate directly out of the former WWCs; and (2) the regional tourist information center (TIC) competitive grant program for locally based entities providing information to visitors in regions throughout the state.

Background

In 2009, Tourism closed its eight Wisconsin Welcome Centers. The WWCs were intended to offer a convenient source of information on Wisconsin destinations for persons traveling near the state borders. The eight locations were generally on major state highways at the most active state entry points: Beloit, Hudson, Hurley, Kenosha, Kieler (Grant County), La Crosse, Marinette and Superior. The Department had previously closed welcome centers in Genoa City and Prairie du Chien in 2007. Centers in Chicago and in Tourism's main offices in Madison were closed in 2003. A site in the Mall of America in Bloomington, MN, opened in June, 2000, but was closed November 30, 2001.

Two travel centers (Kieler and Marinette) were open on a seasonal basis from April through October, while the other six centers operated year-round. The eight centers operating for all of 2007-08 received an estimated 897,000 visitors.

Seven of the WWCs operated under agreements with the Department of Transportation for space at the rest areas at which they were located; the City of Marinette owns the facility for that WWC. Each of the eight centers had between 0.7 and 3.0 full-time staff members, with additional limited-term employee (LTE) staff serving as support during peak hours or seasons. Total permanent positions authorized for the WWCs were 11.95 at the time of their closing, with LTE staffing equivalent to 7.77 full-time equivalent (FTE) employees. In 2007-08, the last full year of WWC operations, staff salaries, fringe benefits, miscellaneous supplies and LTE expenditures associated with WWCs were approximately \$896,000 GPR. Additionally, the Department expended \$464,100 on maintenance and other facilities obligations for the eight WWCs in 2007-08, resulting in total operations costs of \$1.36 million.

Tourism's biennial funding was reduced by 7.95 positions and approximately \$1.5 million under 2009 Act 28, which included \$875,400 GPR, \$43,200 PR and \$560,000 transportation SEG over the biennium. Tourism retained 4.0 positions in 2009 and reassigned them to other areas of the Department. However, 2011 Act 32 deleted 3.45 long-term vacancies in Tourism, limiting the effect of the previously retained positions.

Regional Tourist Information Center Grants

To replace the WWCs, Tourism in 2009 coordinated with chambers of commerce and convention and visitors bureaus (CVBs) in communities that formerly had WWCs to establish locally administered tourist information centers (TICs). Tourism allocated \$160,000 from transportation fund SEG in 2009-10 for one-time grants to groups in and near the communities that formerly hosted WWCs, as well as one city directly. This funding was distributed as follows: (1) \$25,000 each to the busiest entry points of Kenosha, Hud-

son, La Crosse and Beloit; (2) \$15,000 each to Superior, Hurley, Grant County [Platteville] and Marinette.

In 2010, most of these locations formed a consortium known as the Gateway Visitor Information Centers (GVICs), including the City of Marinette and chambers of commerce or CVBs of Beloit, Hudson, Hurley, Kenosha, La Crosse, Onalaska, Platteville, Prairie du Chien and Superior. In addition to information centers funded under the competitive TIC grant program described below, the GVIC consortium attempted to distribute brochures and information to tourists by charging fees to destinations or attractions wishing to distribute material. Fees were intended to cover the local GVICs costs of staffing and operating its location. However, this fee system, which was not created or administered by Tourism, was abandoned by 2011 due to low support by the attractions seeking distribution of materials.

Beginning in 2010-11, \$160,000 tribal gaming PR is appropriated annually for a competitive grant program to support locally based tourism promotion organizations. This is now known as the Tourist Information Center (TIC) grant program. TICs are required to provide informational or promotional materials on area attractions, and must be in a place that a visitor to the area would be reasonably assumed to stop while traveling to a cultural or recreational destination. TICs must also track visitors and provide staffing to assist travelers. A TIC must also be likely to generate increased visitors to the region or state and make a positive economic impact in its region of two or more counties in the state. Tourism has offered grants on a semiannual basis since the program was instituted, typically with January 1 and July 1 application deadlines. Awardees for 2013-14 are shown in Appendix II.

TIC grants are available to cover structural expenses, such as publication displays and signage, as well as staffing costs. TIC grants may be

Table 6: Travel Wisconsin Welcome Centers

Location	Operating Entity	2012-13 Funding	2013-14 Funding	FY14 Visitors
Beloit	Visit Beloit	\$50,000	\$50,000	118,200
Kenosha	Kenosha Area CVB	26,346	39,919	107,200
La Crosse	La Crosse Area CVB	20,500	20,498	62,500
Marinette	City of Marinette	3,500	3,000	23,900
Menomonie	Chippewa Falls, Eau Claire, Menomonie and Hudson COCs	35,650	55,150	27,200
Platteville	Platteville Area Chamber of Comm.	3,500	3,000	9,000
Prairie du Chien	Prairie du Chien Area Chamber of Comm.	3,500	8,000	38,400
Superior	Superior and Douglas Co. Area Chamber of Comm.	<u>3,384</u>	<u>3,497</u>	<u>22,900</u>
Totals		\$146,380	\$183,064	409,300

for up to 50% of the grantee's eligible costs. TIC grants are also capped at a maximum of \$15,000 per organization per year. Eligible grantees include municipalities, American Indian tribes or other nonprofit organizations with a purpose of promoting tourism and business in the local area or state.

Travel Wisconsin Welcome Centers

In July and August, 2011, Tourism began providing marketing funds to designated GVIC locations to support the local entity's staffing and operation of a welcome center in a former WWC community. The funding was intended to re-establish a state presence in certain high-traffic areas that formerly hosted WWCs, and it had the effect of replacing the fee-based system for distributing publications that the GVICs initially instituted. Supported sites are known as Travel Wisconsin Welcome Centers (TWWCs).

In return for state funding, the sites display Tourism's travelwisconsin.com on materials throughout the center, including on apparel worn by staff persons. Tourism refers to the arrangement as "co-branding," in that it allows: (1) the Department to increase attention of its statewide travel planning site and to distribute statewide travel guides and directories; and (2) local tourism agencies and tourist destinations to market the area to visitors. Sites in operation as of July 1, 2014, include Beloit, Kenosha, La Crosse, Marinette, Menomonie, Platteville, Prairie du Chien

and Superior.

Table 6 lists the marketing funding provided by Tourism to TWWCs in 2012-13 and 2013-14, as well as the approximate number of visitors served for each location in the 2013-14 fiscal year. Of the total funding listed, approximately \$142,600 in 2012-13 and \$181,200 in 2013-14 represents what Tourism considers as the purchase of advertising space at each center for signage, travel guides and other promotional materials. In 2013-14, this support ranges from \$3,000 to \$55,200 per location. Up to \$500 per location, totaling \$3,800 and \$1,900 in 2012-13 and 2013-14, respectively, purchased apparel advertising the Travel Wisconsin website for each TWWC.

In addition to operational support through Tourism's co-branding program, the TWWCs operate with funding from a variety of other sources, including: (1) TIC grants; (2) general budgets of the entity; (3) other area visitors bureaus, chambers of commerce or economic development organizations; (4) local room tax revenues; (5) grants from the host city or county; and (6) in-kind contributions from public and private sources. TWWCs in Beloit, Kenosha and La Crosse operate out of the former Wisconsin Welcome Center sites in Department of Transportation rest areas, and have arrangements with Transportation to do so rent-free.

TWWCs operate under several conditions on

which Tourism's funding is predicated. For example, each location must operate certain hours with certain levels of trained staff. Visitors must be tracked by a method specified by Tourism. The TWWCs also display brochures and literature from tourism businesses under an approval process administered by Tourism, and must do so at no charge both to visitors or to the distributor of the brochure. Individual business brochures must advertise for an attraction, activity or event that is not a dining, lodging or retail establishment, although approved destination guides may include dining, lodging, and retail establishments with other attractions. TWWC sites must also distribute publications from Tourism, including guides for events, activities, state parks, biking, birding and arts and crafts. TWWCs may also carry official Wisconsin highway maps or other maps, as well as directories or guides for lodging, golf courses and campgrounds, most of which are published by state trade groups for that industry. Tourism does not specify eligible or ineligible costs, as under the TIC program, as a condition of co-branding funding. The Department plans to review these funding arrangements annually, however.

Other Tourism Promotion Activities

Travel Green Wisconsin

Travel Green Wisconsin began statewide in 2007 as program to recognize and certify tourism-related businesses that voluntarily minimize their waste, energy use and overall environmental footprint. As of July 1, 2014, Travel Green Wisconsin included 519 participants throughout the state. Certified participants may use the Travel Green Wisconsin logo in their promotional and marketing materials. Tourism also lists participants on the Travel Green Wisconsin program website, and AAA Wisconsin also acknowledges the certification in its materials.

Travel Green Wisconsin certification is administered through Tourism's general marketing contract with Laughlin Constable. Laughlin Constable is responsible for integrating marketing and public relations of Travel Green Wisconsin with Tourism's other marketing activities. Tourism reports a third-party subcontractor, Cadmus Group, is responsible for more technical program aspects, such as reviewing applications from prospective participants. Tourism expects to expend about \$40,000 annually for Cadmus Group services on the Travel Green Wisconsin program.

Participating businesses pay an annual membership fee of \$95. Tourism collections for Travel Green Wisconsin certifications and membership were approximately \$8,400 in 2012-13 and \$7,300 in 2013-14.

Member certification is valid for two years. The Department offers compliance assistance to organizations found to be deficient in meeting their environmental commitments, although Tourism reports complaints in the program are rare. Businesses consistently failing to meet commitments are subject to decertification.

Regional Tourism Specialists

The Department of Tourism has four tourism specialists located in regions throughout the state to assist local areas in growing their tourism economies. The specialists generally are responsible for assisting an area in developing its tourism resources, including informing local businesses and organizations of grant and other resources available through the Department and other public and private sources.

Regional tourism specialists carry out two specific programs to assist local tourism-oriented businesses in developing their destinations. One is a customer service training program, in which specialists work with local businesses to refine their presentation to and interaction with custom-

ers to improve customer experiences at state destinations. A second program is a destination assessment program, in which specialists identify an area's destinations and other assets, and recommend means of further promoting or developing those resources to attract additional visitors. These assessments typically take several months.

As of October, 2014, the specialists work from Waupaca (Northeast), Chippewa Falls (Northwest), Hazel Green (Southwest), and Genoa City (Southeast). Figure 1 illustrates the areas of the state covered by each specialist.

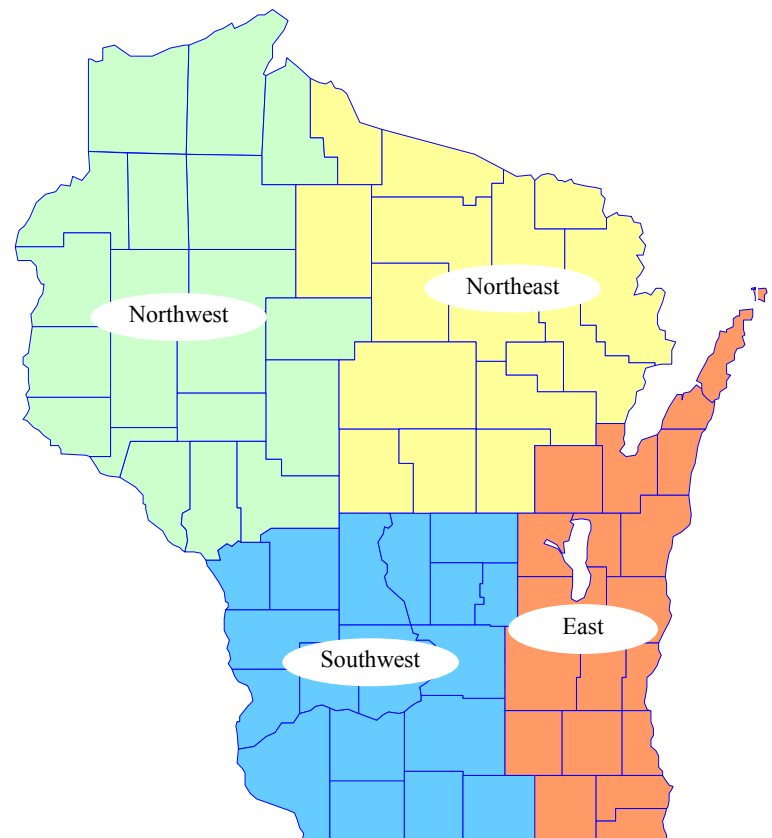
Wisconsin Governor's Conference on Tourism

The Governor's Conference on Tourism (WIGCOT) is an annual event arranged to bring national experts on tourism to Wisconsin to educate in-state tourism businesses and organizations. The event is generally several days long and structured as multiple seminars and workshops for participants.

Film Production Tax Credits and Film Promotion

The film production services credit and film production company investment credit both were discontinued under 2013 Act 20, beginning with the 2014 tax year. Tourism was assigned administrative responsibilities for the credits beginning with the 2011-12 fiscal year. Although no new film production credits are allowed after the 2013 tax year, credits approved up to that time may be claimed under statutory provisions allowing persons to file claims for refunds for up to four years following the original date on which filings were due. Both credits are refundable, meaning claimants receive payment for any credits exceeding their liability for state individual or corporate in-

Figure 1: Program Areas for Regional Tourism Specialists



come and franchise taxes. While the programs were active, credits were capped at \$500,000 per fiscal year in total credits between the programs.

Under the film production services credit, Tourism was responsible for accrediting eligible film, television and video game productions, including determining the work's eligible production expenditures and notifying the Department of Revenue of the production's accreditation and eligible expenditures. Productions eligible for accreditation were film, video, television or advertising productions with \$50,000 or more in salary and wages in the 12-month period beginning with the month after principal filming or taping began, or electronic games with \$100,000 or more in production costs in the 36-month period beginning with the month after principal pro-

gramming, filming or taping began. Accredited productions were eligible for credits of: (1) 25% of salaries, wages or other labor-related contracts paid in a taxable year, provided the payees were Wisconsin residents at the time, working in the state, and not earning more than \$250,000 for the production; and (2) 25% of non-wage production expenditures. Claimants were subject to other limitations, including a minimum of 35% of the production's budget being spent in Wisconsin, and items for which a production expenditure credit were claimed being sourced from Wisconsin.

Under the film production company investment credit, Tourism was responsible for certifying eligible expenses incurred in starting or operating a film production company. In general, eligible expenses were for depreciable, tangible personal property sourced from Wisconsin and at least 50% of which was used in the film production company, or those for acquiring, constructing, rehabilitating or repairing certain real property after December 31, 2008. Claimants could receive credits up to 15% of eligible expenses in the taxable year.

In 2012-13, Tourism accredited one production for credits of \$14,200 and one production company for investment credits of \$9,400. In 2013-14, Tourism accredited six film and video game productions for credits of \$289,200. For administering the film production services credit, Tourism collects an application fee of 2% of budgeted production costs or \$500, whichever is less. Tourism collected \$3,000 from six applicants in 2012-13; no application fees were collected in 2013-14. Tourism reports staffing costs related to the film production credits of \$600 in each of 2012-13 and 2013-14.

Prior to administering the film production tax credits, Tourism housed a film office to increase awareness of Wisconsin as a film and production location. State funding specifically for film pro-

motion began in 1987-88, prior to the Department's creation. However, 2005 Act 25 eliminated funding of \$125,800 GPR annually and 2.0 positions for the film promotion office, which by that time was under Tourism.

With the elimination of staff specifically devoted to film promotion and the elimination of the film production tax credits, Tourism has mostly ceased active film promotion efforts. However, the Department remains directed by statute to encourage film production that "will enhance the image of this state and its communities and countryside." Various private entities also may assist prospective projects with planning productions. Among these is Film Wisconsin, an organization that formed in response to the closure of Tourism's film office.

Boards and Attached Agencies

The Department of Tourism currently has oversight for budgeting of two independent boards, the Kickapoo Reserve Management Board and the Wisconsin Arts Board. Additionally, the Department has several agencies attached for limited administrative purposes.

Kickapoo Reserve Management Board

Tourism has administered the Kickapoo Valley Reserve since 1996. The Kickapoo Valley Reserve comprises approximately 8,600 acres of land north of La Farge in Vernon County. The property was the site of a U.S. Army Corps of Engineers dam and reservoir project on the Kickapoo River that was abandoned around 1975. The Corps transferred ownership of approximately 7,400 acres to the State of Wisconsin in December, 2000. Additionally, 1,200 acres were transferred to the Bureau of Indian Affairs in trust for sites sacred to the Ho-Chunk tribe.

However, a 1997 MOU between the state and the Ho-Chunk nation stipulates the entire acreage will be managed as one property.

Conservation fund (forestry account) appropriations to Tourism support administrative functions for the Kickapoo Reserve Management Board. The Board is responsible for: (1) managing the land in the Kickapoo River valley to preserve and enhance its unique environmental, cultural and scenic features; (2) providing facilities for the use and enjoyment of visitors to the Reserve; and (3) promoting the Reserve as a destination for vacationing and recreation. The Department of Tourism is responsible for providing personnel, payroll, budget, fiscal and accounting services to the Board. The Department also is responsible for approving changes to the boundaries of the Reserve that may occur as a result of the Board's purchase of additional lands, purchases of development rights, or land transfers.

The Board is appropriated \$694,600 SEG and 2.75 positions from the forestry account of the conservation fund in 2014-15. Total forestry SEG for general Reserve operations in 2014-15 is \$414,600, and supported positions include those for an executive director and other administrative staff. In addition, the Board is authorized \$223,300 PR with 1.25 positions in 2014-15. Of these amounts, \$156,900 PR with 1.0 education coordinator position is for services such as recreational and educational programming for the public and area schools. The position is supported by revenues generated by the Reserve, including use and camping fees, event and permit fees, agricultural lease revenue, timber harvest revenue and other miscellaneous revenues. The Board uses these funds both for educational programming and for certain maintenance and Reserve improvements.

Further, the Board is appropriated \$66,400 PR with a 0.25 position from tribal gaming revenues for law enforcement services in 2014-15. The 0.25 PR law enforcement position was converted

from forestry SEG funding beginning in 2013-14 to reflect the time dedicated by permanent staff to law enforcement activities at the Reserve, including conducting patrols and supervising limited-term sworn officers the Reserve hires for much of its police needs.

Of the forestry SEG budgeted for 2014-15, a portion is for annual aids in lieu of property taxes made to the local taxing jurisdictions. These aids are intended to compensate local municipalities and school districts for state acreage located in their jurisdictions, as these lands are exempt from property taxation. The aids are paid from a sum-sufficient forestry account segregated appropriation. Payments were \$267,400 in 2012-13 and \$260,000 in 2013-14. Aids in lieu of taxes are budgeted at \$280,000 for 2014-15.

Arts Board

The Arts Board is a 15-member, Governor-appointed body responsible for promoting the development of the arts in Wisconsin through grants in aid and other programming assistance. Members have three-year terms and must be residents of the state known for their concern for the arts. The board must consist of at least two members each from the northwest, northeast, southwest and southeast areas of Wisconsin, but the statutes do not make any other requirements of appointees.

The Arts Board was transferred to Tourism under 2011 Act 32, previously having existed as an independent but administratively attached board. (Other agencies administratively attached to Tourism are discussed later.) The transfer was intended to combine agencies that some considered as having similar aims of raising awareness of and attracting visitors to cultural destinations and events. The Arts Board previously exercised its own control over agency matters such as budgeting and staffing. Beginning in 2011-12, however, the Arts Board is budgeted under Tourism, with budgeting and staffing carried out un-

der the direction of the Tourism Secretary. An exception provided in Act 32 is that the Board is to continue selecting the Executive Secretary, who serves at the Board's pleasure.

In 2014-15, the Arts Board is budgeted \$1,558,500 with 4.0 positions, including: (1) \$754,900 GPR with 3.0 positions; (2) \$758,700 FED with 1.0 position; and (3) \$44,900 PR. Of those amounts, \$278,900 GPR, \$234,200 FED and \$20,000 PR are appropriated for program operations. The remaining amounts of \$476,000 GPR, \$524,500 FED and \$24,900 tribal gaming PR are budgeted for grant programs.

Prior to being consolidated with the Department of Tourism, the Board was authorized expenditures of \$3.7 million with 10.0 positions. Budget reductions under 2011 Act 32 were intended in part to reduce state funding to amounts necessary only to match federal funding provided by the National Endowment for the Arts (NEA), which is a federal requirement for the grants. These grant awards totaled \$768,600 for 2013-14 and \$780,000 for 2014-15. The Board has budgeted \$174,000 FED for operations and \$606,000 FED for grants in 2014-15.

The statutes require that any recipient of a grant from the Arts Board perform a public service. The Arts Board by administrative rule has defined public service as an activity that increases public awareness of state artists and artistic resources, such as an exhibition, a publication, a performance, an artist in residence, a lecture or demonstration, or a workshop. Also, the public activity must: (1) include a public announcement of its occurrence; (2) be in a place accessible to persons with disabilities; and (3) relate clearly to the purpose of the grant.

Creation and Presentation Grants. Creation and Presentation Grants are awarded to established nonprofit arts organizations to assist with their operations or creation and presentations of arts programming. Grants are typically awarded

for two years, with identical funding each year, assuming the recipient maintains eligibility and state or federal funds are available. Eligible recipients are nonprofit arts organizations, including college/university, local or tribal arts groups, that conduct artistic activities in at least the three consecutive years preceding application. Groups must have public participation in arts program planning, and must have a primary mission of creating and/or presenting artistic works or performances that benefit the general public. Organizations based on presentations and performances must present at least four performances from artists outside the presenters' communities. Recipient groups must also provide an equal match of funding for all Arts Board grants received. Eligible costs generally include those for: (1) operations; (2) the creation, presentation or acquisition of works of art or performance and exhibit spaces, excluding capital expenditures; and (3) marketing and promoting presentations and performances. Grant amounts are determined by a scoring process, and may not exceed 25% of the applicant's average operating revenue over the preceding three years. Grants must be a minimum of \$2,000 and, in 2014-15, may be a maximum of \$17,500. The Arts Board expended \$152,000 GPR and \$552,200 FED in Creation and Presentation grants in 2013-14. Budgeted amounts for 2014-15 include \$151,900 GPR and \$535,600 FED. Expenditure and budget activity for the Arts Board's grant programs is shown in Table 7.

Creative Communities Grants. The Creative Communities Grant program provides funding in one of three areas: (1) arts education, which provides funding to schools or community organizations that use professional artists to work with K-12 students on a short-term basis; (2) local arts, which provides funding to community groups or local government agencies to plan and implement arts programming; and (3) folk and traditional arts, which provides funding to groups specializing in traditional artistry of tribes or ethnicities. Organizations applying to the Creation and Presentation Grant program may not apply for

Table 7: Arts Board Grant Programs

Grant Program	2013-14 (Actual)			2014-15 (Budgeted)		
	State*	FED	Total	State*	FED	Total
Creation and Presentation	\$152,000	\$552,200	\$704,200	\$151,900	\$535,600	\$687,500
Creative Communities	112,300	34,300	146,600	114,000	34,400	148,400
Regranting	116,700	0	116,700	116,700	0	116,700
Arts Challenge Initiative	57,000	0	57,000	57,000	0	57,000
Woodland Indian Arts Initiative	24,900	0	24,900	24,900	0	24,900
Folk Arts Apprenticeships	0	27,000	27,000	0	24,000	24,000
Miscellaneous	<u>38,000</u>	<u>35,000</u>	<u>73,000</u>	<u>36,400</u>	<u>12,000</u>	<u>48,400</u>
Totals	\$500,900	\$648,500	\$1,149,400	\$500,900	\$606,000	\$1,106,900

* All state funding is GPR, except \$24,900 annually for the Woodland Indian Arts Initiative, which is funded by tribal gaming PR.

funding through the Creative Communities Grant. However, Creative Communities Grants include many similar eligibility requirements to Creation and Presentation Grants, including public involvement, dollar-for-dollar matches of Arts Board grants and three years of prior work in arts creation or presentation. However, the specific project to be funded may not exceed three years in age. Grants are from \$1,500 to \$6,000, not to exceed 50% of the overall project budget.

Total expenditures for the program in 2013-14 were \$112,300 GPR and \$34,300 FED. The Board has budgeted \$114,000 GPR and \$34,400 FED for grants in 2014-15. Budgeted amounts for 2014-15 include: (1) \$68,800 for grants for arts education, consisting of \$34,400 each of GPR and FED; (2) \$21,800 GPR for folk and traditional arts; and (3) \$57,800 GPR for local arts.

Folk Arts Apprenticeship Program. The Folk Arts Apprenticeship Program provides grants of \$3,000 to support the teaching of apprentices by master artists and performers, such as musicians, singers or dancers. The program expended \$27,000 FED in grants in 2013-14, and \$24,000 FED is budgeted for 2014-15 grants.

Wisconsin Regranting Program. The Wisconsin Regranting Program provides funding to local arts agencies and partner foundations for the

groups to in turn disburse as grants throughout the state. Initial recipients of state funds are subject to minimum dollar-for-dollar match requirements; match requirements of secondary recipients vary throughout the state. The program expended \$116,700 in 2013-14 and is appropriated \$116,700 GPR for 2014-15.

Arts Challenge Initiative. The Arts Challenge Initiative awards grants to arts organizations that exceed fundraising in successive years. The program is intended to use potential additional state funding matches to promote growth in arts organizations' revenues from both programming offerings and fundraising. The program has three components: (1) a general incentive program, providing matches of up to 25% of an entity's growth in revenues from one fiscal year to the next, or \$1 in incentive grants for every \$4 in revenue growth; (2) a sustaining program for entities with total income less than \$100,000, which provides equal matches for every dollar in year-over-year revenue increases, and which are a minimum of \$3,000 and a maximum of \$10,000 by statute; and (3) a minority arts organization incentive program, which also provides equal matches on every dollar in year-over-year revenue growth. The statutes require the Arts Board to set aside at least 10% of each fiscal year appropriation for the minority arts organization grants and at least 20% for the sustaining pro-

gram.

The Arts Challenge Initiative has not been appropriated any funding directly since the 2008-09 fiscal year. The Arts Board continues to award sustaining grants to four minority-focused organizations in the Milwaukee area under its general appropriation for state aid for the arts, however. Grants of \$57,000 GPR were awarded in 2013-14, and the same amount is budgeted for grants in 2014-15. The Arts Board makes awards at a 1:1 ratio.

Other Aids and Assistance. For 2013-14, the Arts Board provided \$36,300 GPR funding to Arts Midwest, a regional body that promotes artists and arts programming, as well as makes grants, primarily in Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota, Ohio, South Dakota and Wisconsin. The organization is supported by the member states, the NEA and other funds donated by individuals and foundations. The Board has budgeted a similar amount for Arts Midwest for 2014-15.

Other special-purpose assistance provided by the Arts Board in 2013-14 included: (1) \$15,000 for support of the Wisconsin Governor's Conference on Tourism and additional arts programming at the conference; (2) \$10,000 for Arts Wisconsin, a statewide advocacy and assistance organization for local artists and arts organizations, to operate its Arts Peers program providing assistance to local arts entities as a complement to the Arts Board's assistance offerings; (3) \$10,000 to the Wisconsin Poet Laureate Commission, in support of the state poet laureate program; and (4) \$1,700 for emergency support of the African Association of Madison. The Board has allocated \$12,000 in 2014-15 for Arts Wisconsin, in addition to an annual Arts Midwest contribution of approximately \$36,400.

Also, the Arts Board provides technical assistance to local arts agencies, including marketing and various aspects of organizational develop-

ment, such as strategic planning, fundraising, project or program evaluation, volunteer cultivation and leadership succession. The Arts Board reports technical assistance is intended to provide input on how organizations establish and grow in their communities, while grant funds provide financial means to implement these efforts.

Inactive or Repealed Programs. 2011 Act 32 repealed the Percent for Art Program, which, for state building projects costing more than \$250,000, required at least 0.2% of the cost of the project to be for the acquisition and display of one or more works of original, visual art. The Arts Board remains responsible for works procured under the program and continuing to be displayed. Works are to be displayed for at least 25 years, and the Arts Board is to coordinate proper maintenance with DOA and in consultation with the artist.

Further, following funding reductions under 2011 Act 32, the Arts Board suspended several grant programs indefinitely. These include the following programs, which are also described briefly:

- Artist and Community Collaborations, which provided funding for community organizations and local artists to jointly develop arts projects;
- Artist Fellowship Awards, which provided support funding to outstanding active artists;
- Cultural Facilities Assistance Program, for assisting new arts presenting organizations with building their capacities to present works of art in their community; and
- Phantom Art Galleries, which funded short-term displays in vacant downtown storefronts, with the intention of revitalizing downtowns as well as providing display space for local artists.

Attached Boards

The Lower Wisconsin State Riverway Board and State Fair Park Board are attached to the Department of Tourism for administrative purposes. Administrative attachments allow the attached

board to exercise its agency powers and responsibilities, including rule-making, operational planning and budget policy, independent of the head of the agency to which it is attached. Management functions are to be carried out under the supervision of the attached agency, however.

APPENDIX I

Joint Effort Marketing Grants (2013-14 Awards)

Event Name	Event Type	Amount	Counties	Organizer
Abbotsford Colby Llama Craft Fair	New Event - Year 3	\$3,250	Clark	Abbotsford Colby Area Chamber of Commerce
American Players Theatre Immersion Weekends	New Event	39,550	Iowa	American Players Theatre
Appleton's Mile of Music	Existing Event	37,000	Outagamie	Appleton Downtown Inc.
Arts/Industry: Collaboration and Revelation	One-Time Event	28,250	Sheboygan	John Michael Kohler Arts Center
Ashland's Fall Mural Tour	Destination Marketing - Year 2	19,450	Ashland	Ashland County Tourism
Badwater Bash and Bass Festival	New Event - Year 2	5,452	Florence	Florence County Economic Development
Boom Lake Log Jam	New Event	10,000	Oneida	Rhineland Area Chamber of Commerce
Calumet County's Rural Arts Roadtrip	Existing Event	16,689	Calumet	Calumet County
Canoetananny	New Event	1,500	Crawford	Fox Wisconsin Heritage Parkway
Chick-uamegon	Existing Event	5,950	Ashland	Ashland Area Chamber of Commerce
Chilimania	Existing Event	14,700	Rock	Edgerton Chilimania Inc.
Colorama Exhibit	One-Time Event	20,440	Manitowoc	Rahr West Art Museum
Creational Trails TENTs Project	New Event	38,000	Milwaukee	Art Milwaukee
Dear in the Headlights Comedy Showcase	New Event	3,280	Manitowoc	Manitowoc Area Visitors & Convention Bureau
Discover Wisconsin Skiing	Destination Marketing	16,640	Statewide	Skiing Wisconsin Inc.
Driftless Film Festival	New Event - Year 3	2,500	Iowa	Mineral Point Opera House
Driftless Wisconsin	Destination Marketing - Year 3	8,215	Crawford & Vernon	Driftless Wisconsin LLC
Durand Fresh Paint	Existing Event - Year 2	3,000	Pepin	Imagination Nation
Eisenhower Locomotive Exhibit	One-Time Event	27,880	Brown	National Railroad Museum

Event Name	Event Type	Amount	Counties	Organizer
Florence County Wild Rivers Tour	Destination Marketing	\$18,935	Florence	Florence County Economic Development Commission
Fox Cities - Wisconsin's Shopping Place	Destination Marketing - Year 3	18,069	Outagamie	Fox Cities Convention and Visitors Bureau
Gateway to Milwaukee - Market Research and Analysis	Destination Marketing	39,550	Milwaukee	Airport Gateway Business Association
Get Behind the Arts	Existing Event	10,000	Kenosha	Kenosha Arts Association
Grantsburg Adventure Triathlon	Existing Event	10,081	Burnett	Grantsburg Village Improvement Program
Great River Road Festival	New Event - Year 2	1,317	Grant	Stonefield Historic Site
Green Bay Restaurant Week	New Event - Year 2	21,135	Brown	Greater Green Bay Convention and Visitors Bureau
Green County	Destination Marketing - Year 3	17,000	Green	Green County Tourism
Harley Davidson Museum - "American Road"	New Event - Year 3	39,550	Milwaukee	Visit Milwaukee
Holiday Folk Fair International	Existing Event	8,500	Milwaukee	International Institute of Wisconsin
In Company with Angels Exhibit	One-Time Event	28,250	Winnebago	Oshkosh Public Museum
Janesville Irish Fest	New Event - Year 2	39,450	Rock	Janesville Performing Arts Center
Kandinsky: A Retrospective	One-Time Event	28,250	Milwaukee	Milwaukee Art Museum
La Crosse Hmong New Year Festival	Existing Event - Year 2	12,000	La Crosse	La Crosse Area Hmong Mutual Association
Lake States Logging Congress & Equipment Expo	Existing Event	21,000	Winnebago	Great Lakes Timber Professionals Association
Madison Hotel Week	New Event	14,050	Dane	Greater Madison Convention and Visitors Bureau
Marinette Logging and Heritage Festival	Existing Event	19,000	Marinette	Marinette Parks & Recreation
Milwaukee Indyfest	Existing Event - Year 2	39,550	Milwaukee	Visit Milwaukee
Packers Hall of Fame Exhibits	Existing Event	20,000	Brown	Neville Public Museum
Northwoods Blues Festival	Existing Event - Year 2	10,000	Washburn	Spooner Area Chamber of Commerce
Oxbow Music & Arts Festival	New Event	39,550	Eau Claire	Visit Eau Claire
Port Washington Fish Day	Existing Event	7,115	Ozaukee	Port Fish Day Inc.
River Falls Bacon Bash	Existing Event	32,500	Pierce	River Falls Area Chamber of Commerce

Event Name	Event Type	Amount	Counties	Organizer
Rusk County	Destination Marketing	\$39,500	Rusk	Rusk County Tourism
Sayner Street Fair	New Event	4,750	Vilas	Sayner/Star Lake Chamber of Commerce
Stevens Point Spring Sales Promotion	Sales Promotion - Year 2	33,800	Portage	Stevens Point Area Convention and Visitors Bureau
Taylor County Maple Fest	Existing Event	9,988	Taylor	Taylor County Lions Maplefest
The Opener	New Event	7,150	Bayfield	Cable Area Chamber of Commerce
Thinking, Local	Destination Marketing	30,300	Eau Claire	Visit Eau Claire
Three Lakes Northwoods Heritage Fest	New Event - Year 3	7,000	Oneida	Three Lakes Area Chamber of Commerce
Uncork Summer/Door County Food & Wine Festival	New Event	10,000	Door	Top o' the Thumb Association
Vilas County Silent Sports	Destination Marketing	39,550	Vilas	Vilas County Tourism
Washburn Board Across the Bay	New Event - Year 2	11,500	Bayfield	Washburn Chamber of Commerce
Waukesha-Pewaukee	Destination Marketing - Year 2	29,362	Waukesha	Waukesha-Pewaukee Convention and Visitors Bureau
Waupaca Blues Festival	New Event - Year 3	1,560	Waupaca	Waupaca Area Chamber of Commerce
Waupaca County	Destination Marketing - Year 3	12,500	Waupaca	Waupaca County Economic Development Corporation
Whooping Crane Festival	New Event	33,000	Green Lake	Green Lake Country Visitors Bureau
Wild West Steampunk Festival	New Event	6,000	Grant	Stonefield Historic Site
Wilson Center Guitar Competition and Festival	New Event - Year 2	22,300	Waukesha	Sharon Lynne Wilson Center for the Arts
Wisconsin State Trapshoot	New Event - Year 2	27,500	Adams	Wisconsin Trapshooting Association
Yellow Phone Music Conference	Existing Event - Year 2	39,000	Milwaukee	McMenamin Academy
Yellow River Folk Music Festival	New Event - Year 2	<u>14,000</u>	Burnett	Burnett County Historical Society
	Total	\$1,175,358		

Note: Awards listed were made in 2013-14 and will be reimbursed mostly in 2014-15. As such, award amounts do not match JEM grant expenditures for 2013-14 shown in Table 4.

APPENDIX II

Tourist Information Center Grant Awards in 2013-14

Organization	Site/City	Amount
Northern Great Lakes Visitor Center	Ashland	\$4,950
Beloit Convention and Visitors Bureau	Beloit	15,000
Burlington Chamber of Commerce	Burlington	3,000
Chippewa Falls Chamber of Commerce	Chippewa Falls	221
Visit Eau Claire	Eau Claire	15,000
Hayward Lakes Visitor and Convention Bureau	Hayward	2,500
Horicon Marsh Education and Visitor Center	Horicon	1,000
Kenosha Area Convention and Visitors Bureau	Kenosha	15,000
La Crosse Area Convention and Visitors Bureau	La Crosse	12,500
Rusk County Tourism	Ladysmith	1,000
Manitowoc Area Visitor and Convention Bureau	Manitowoc	7,500
City of Marinette	Marinette	8,204
Greater Menomonie Area Chamber of Commerce and Visitors Center	Menomonie	1,176
Visit Milwaukee	Milwaukee	4,000
Platteville Chamber of Commerce	Platteville	9,500
Prairie du Chien Area Chamber of Commerce	Prairie du Chien	15,000
Racine County Convention and Visitors Bureau	Racine	5,500
Polk County Tourism	St. Croix Falls	14,763
Stevens Point Area Convention and Visitors Bureau	Stevens Point	13,111
Superior Douglas County Chamber of Commerce	Superior	<u>12,881</u>
Totals		\$161,806