



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #752

Meetings, Conventions, and Sports Bureau (Tourism)

[LFB 2023-25 Budget Summary: Page 614, #5]

CURRENT LAW

The Department of Tourism promotes Wisconsin as a destination to travelers by encouraging various meetings and events to take place in the state. Currently, Tourism accomplishes this with three grant programs: (1) Joint Effort Marketing grants; (2) Ready, Set, Go! grants; and (3) Meetings Mean Business grants. Tourism awards these grants from its three marketing appropriations, which are funded by general purpose revenues (GPR), the segregated (SEG) transportation fund, and state proceeds under tribal gaming compacts.

The Meetings Mean Business (MMB) grant program provides \$220,000 per biennium to assist organizations in the costs of events, including facilities rentals, shuttles or similar transportation costs within the destination city, or other hosting costs such as promotions. Grants cover up to 50% of the costs. In 2021-22, seven events received grant funds. Attachment 1 lists recent grants.

The Ready, Set, Go! grant program assists destinations in securing competitive sporting events that require an upfront commitment of capital. Tourism allocates \$220,000 per biennium from its tribal gaming PR marketing appropriation for the program. In 2021-22, seven events received grant funds. Attachment 2 lists recent grants.

The Joint Effort Marketing (JEM) grant program aims to help nonprofit tourism promotion organizations publicize innovative events and attractions in the state. Tourism administers the JEM grant program, and it is funded from tourism's 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. The program is funded at \$1,130,000 annually. In 2021-22, the most recent award year, 49 events were awarded

grant funds. Attachment 3 lists 2021-22 grants.

Tourism also operates the Office of Marketing Services (OMS) to provide to 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. Typical projects may include recruitment videos, marketing of annual conferences, awareness campaigns for state programs, and agency publications, among others. Tourism is authorized 1.0 PR position for the office.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would eliminate the Office of Marketing Services and delete \$149,800 PR annually and 1.0 position associated with the office. The bill would also repeal the statutory requirement that Tourism must establish and maintain a marketing clearinghouse, and repeal the authority to charge fees for services to agencies for deposits to a dedicated appropriation. The bill would create a Meetings, Conventions, and Sports Bureau and provide \$1,314,300 GPR in 2023-24 and \$1,352,500 GPR in 2024-25 with 3.0 positions. The Bureau would be responsible for advertising Wisconsin as a site for meetings, conventions, sporting events, and tournaments. The Administration reports that the provision should have included 3.0 GPR positions instead of 2.0, and an errata was submitted to reflect 3.0 positions. The 3.0 GPR positions would include a director, an events coordinator, and a sales manager. It is intended 1.0 position would accommodate the transfer of the OMS incumbent.

Office of Marketing Services

2. Although the marketing clearinghouse was created with Tourism in 1996, full implementation never proceeded. During that period, Tourism reports it provided occasional marketing services to agencies but did not bill for services. Under 2015 Wisconsin Act 55, Tourism was authorized 4.0 PR positions to create the OMS in its current form. Act 55 also deleted 29.8 positions and funding of approximately \$2 million annually in other agencies with the intent that agencies would instead work with Tourism on communications and marketing projects. No Tourism marketing or promotion positions, all of which were GPR-supported at the time, were eliminated or transferred within Tourism to OMS under the Act 55 provision. 2019 Act 9 subsequently reduced OMS staffing to its current level, based on work load and available funding.

3. In 2021-22, Tourism's 1.0 staff member in OMS provided approximately 1,400 hours of staff time to 13 projects, with revenue of \$128,000. Due to the COVID-19 pandemic and long-term reductions in group gatherings, Tourism reports that OMS did not complete a typical project load in recent years. Activity to date in 2022-23 includes approximately 1,500 billable hours and revenues of \$133,500. Additionally, Tourism reports that OMS has been underutilized in recent years. Revenues to OMS have not been sufficient to cover the costs of operations, and the Department has used funds from its PR marketing appropriation to pay some portion of the annual salary, fringe, and supplies related to the 1.0 position in OMS. Table 1 shows revenues to OMS from 2018 to 2022. Since 2017-18, revenues have not been sufficient to cover operational costs. Tourism utilized between \$50,000 and \$65,000 in these years from its PR marketing appropriation to cover OMS operational costs.

TABLE 1

**Office of Marketing Services Revenues
Fiscal Year 2018 to 2022**

<u>State Fiscal Year</u>	<u>Revenue From Other State Agencies</u>	<u>Revenue from Tourism</u>	<u>Total Revenue</u>
2017-18	\$101,600	\$52,480	\$154,080
2018-19	58,280	56,600	114,880
2019-20	34,641	49,600	84,241
2020-21	38,085	65,070	103,155
2021-22	<u>65,935</u>	<u>57,960</u>	<u>123,895</u>
Total	\$298,541	\$281,710	\$580,251

4. It could be seen as preferable to transfer the incumbent OMS position from PR to GPR to eliminate the need to supplement OMS funding using Tourism's other marketing funds. The Committee could delete the marketing clearinghouse from statute, and transfer 1.0 PR incumbent with associated funding to Tourism's GPR operations appropriation [Alternative A1].

5. It could also be seen as desirable to retain the statutory marketing clearinghouse structure for certain small projects that state agencies may wish to execute by consulting with Tourism rather than hiring outside vendors. The Committee could consider transferring the OMS position but retaining the authority and appropriation for Tourism to conduct such interagency services [Alternative A2]. This could allow Tourism to continue conducting certain projects for agencies, but charging staffing or other costs to the marketing clearinghouse PR appropriation. Although transferring the position would delete funding from the PR annual appropriation, Tourism could seek expenditure authority from the Committee by a passive review under s. 16.515 of the statutes.

Meetings, Conventions, and Sports Bureau

6. The U.S. Travel Association reports that, prior to the COVID-19 pandemic, meetings and events accounted for 42% of all business travel spending and 11% of all travel spending in the U.S. The Association estimates that this spending totaled \$130 billion in meetings-related travel. Tourism indicates that the Meetings, Conventions, and Sports Bureau would aim to bring small-to-medium-scale meetings, conventions, and sporting events to the state. To do this, Tourism reports that the Bureau would advertise directly to meetings and sports planners, rather than marquee sporting event organizations or major television producers.

7. The Bureau would be intended to create professional relationships in the realm of business and organization meetings, and sporting events at a smaller scale than the Opportunity Attraction and Promotion Fund. (See Legislative Fiscal Bureau Paper #751.) The Department contends that a primary difference between the initiatives would be that the Meetings, Conventions,

and Sports Bureau would intend to secure consistent bookings of events over multi-year periods, while the Opportunity Attraction and Promotion Fund would be intended to bring major events occurring on an irregular basis, and promote the state to large national or international audiences. As a result, Tourism states that the intended role of the Meetings, Conventions, and Sports Bureau could not be absorbed by any existing area of the Department, nor by the proposed Opportunity Attraction and Promotion Fund.

8. Tourism reports that the proposed Bureau would increase state presence at tradeshows. The Department indicates that it maintains a statewide presence by attending a limited number of tradeshows and issuing grants through the Meetings Mean Business and Ready, Set, Go! programs. Further, Tourism indicates that event planners may not consider Wisconsin as a host state for their meetings and events because the Department does not have sufficient ongoing funding or staff to attract such events and meetings to the state. (Tourism indicates the Department used approximately \$1 million in funding under the American Rescue Plan Act to initiate activities the proposed Bureau would continue.)

9. Table 2 below depicts funding for the creation and staffing of the Bureau under the bill. Costs for salaries and fringe of 3.0 staff would total \$246,300 in 2023-24 and \$284,500 in 2024-25. Supplies and services costs would total \$1,068,000 each year.

TABLE 2

**Meetings, Conventions, and Sports Bureau Funding
Assembly Bill 43/Senate Bill 70**

<u>2023-24</u>		<u>2024-25</u>	
<u>Item</u>	<u>Cost</u>	<u>Item</u>	<u>Cost</u>
Salaries and Fringe	\$246,300	Salaries and Fringe	\$284,500
Supplies and Services	<u>1,068,000</u>	Supplies and Services	<u>1,068,000</u>
Total	\$1,314,300		\$1,352,500

Supplies and Services Detail -- Annual

<u>Item</u>	<u>Purpose</u>	<u>Cost</u>
Public Relations	Hosting of travel writers	\$85,000
Website Development	Maintenance of two websites	150,000
Marketing Agency Fees	Strategy development, campaign placement, and reporting by vendor	60,000
Trade Media Campaigns	Marketing communications to meeting and event planners	150,000
Tradeshows	Sponsorship, registration, furnishing	450,000
Asset Collection	Photo and video creation and storage	40,000
Contacts Database	Customer relationship management software	100,000
Miscellaneous Supplies	Cell phones, printing, rent	23,000
Staff Travel	Travel costs	<u>10,000</u>
Annual Total		\$1,068,000

10. With the funding allocations shown in the table above, Tourism indicates that the Meetings, Conventions, and Sports Bureau would: (a) further build and maintain a meetings and conventions website (meetinwisconsin.com) and a sports website (sportswisconsin.com) to meet the needs of event planners; (b) collect video and photo assets to use for marketing materials; (c) run advertising campaigns directly to meetings and sports event planners; (d) attend a greater number of tradeshows and advertise the state to encourage event planners to choose Wisconsin for event hosting; (e) increase public relations strategy development, such as through additional hosting of travel writers; and (f) partially fund a database to track professional contacts and amenities in conjunction with local destination marketing organizations (DMOs).

11. The 3.0 intended staff would include: (a) 1.0 Bureau Director who would oversee strategy, manage the Bureau's budget, work with the Council on Tourism, and collaborate with other Tourism marketing and public relations teams; (b) 1.0 events coordinator who would provide customer service for events, develop and implement agency tradeshow strategies, and represent the agency at tradeshows; and (c) 1.0 sales manager who would build and maintain relationships with event planners and sports rights holders and serve as the liaison with in-state destination marketing organizations.

12. Tourism reports that the Office of Marketing Services 1.0 position is currently filled with a member who is highly experienced in meetings and conventions, which had been a typical area of contract work for OMS. However, the incumbent is underutilized in OMS due to the aforementioned lack of use by contracting parties. As such, the Department would intend to transfer the incumbent into one of the 3.0 positions under the Meetings, Conventions, and Sports Bureau.

13. States that currently maintain similar meetings, conventions, and sports bureaus or related initiatives at the city level include: Connecticut, Kansas, New York, Nevada, North Dakota, Oregon, Pennsylvania, South Carolina, and Virginia. Generally, these states aim to advertise their hotels, venues, convention centers, casinos, and sports stadiums to event planners nationwide.

14. It may be that a centralized statewide effort would attract additional meetings, conventions, and other sporting events by supplementing local efforts to secure such events with additional dedicated state resources for those purposes. The primary difference between the JEM, Meetings Mean Business, and Ready, Set, Go! grant programs and the proposed Meetings, Conventions, and Sports Bureau is that the proposed Bureau would be a large-scale, centralized effort by Tourism to garner events, rather than many separate efforts by various smaller organizations statewide. Although Meetings Mean Business and Ready, Set, Go! grants may be useful in securing certain numbers or types of events, a central state office overseeing coordinated efforts may be more beneficial to the state's attempts to recruit events to Wisconsin.

15. The Committee could approve all ongoing funding and permanent positions to create a Meetings, Conventions, and Sports Bureau [Alternative B1]. The Committee could specify that the funding is one-time and the positions are two-year project positions that would expire on June 30, 2025 [Alternative B2]. This would result in a pilot period similar to what the Committee has previously authorized for the Office of Outdoor Recreation, discussed in Paper #753.

16. On the other hand, the Ready, Set, Go! program has seen consistent demand in recent years, and Meetings Mean Business grants increased in 2021-22. It could be argued that existing programs, including JEM grants, sufficiently allow local DMOs to pursue events that communities seek to host, using available Tourism funding to secure those events. The Committee could consider providing an additional \$90,000 GPR annually [Alternative C1] or \$40,000 GPR annually [Alternative C2] for additional allocations under the programs. If Tourism did not receive grant applications for the amount of funding set aside, the additional amounts would be available for Tourism's general marketing activities.

ALTERNATIVES

A. Office of Marketing Services

1. Delete the Office of Marketing Services and transfer its 1.0 filled PR position and related salary, fringe, and supplies funding to Tourism's GPR general operations appropriation s. 20.380 (1)(a).

ALT A1	Change to Base	
	Funding	Positions
PR	- \$299,600	- 1.00
GPR	<u>299,600</u>	<u>1.00</u>
	\$0	0.00

2. Transfer 1.0 PR position and related salary, fringe, and supplies funding to Tourism's GPR general operations appropriation s. 20.380 (1)(a). Retain statutory authority for a marketing clearinghouse for minor project work for state agencies.

ALT A2	Change to Base	
	Funding	Positions
PR	- \$299,600	- 1.00
GPR	<u>299,600</u>	<u>1.00</u>
	\$0	0.00

3. Take no action.

B. Meetings, Conventions, and Sports Bureau

1. Create a Meetings, Conventions, and Sports Bureau and provide \$1,314,300 GPR in 2023-24 and \$1,352,500 in 2024-25 with 3.0 positions.

ALT B1	Change to Base	
	Funding	Positions
GPR	\$2,666,800	3.00

2. Specify the funding as one-time and the positions as two-year project positions.
3. Take no action.

C. Additional Funding for Existing Grant Programs

1. Provide \$90,000 GPR in additional funding for each of Tourism's three event-based grant programs: Joint Effort Marketing grants, Meetings Mean Business grants, and Ready, Set, Go! grants. Increase the statutory minimum allocation for JEM grants to \$1,220,000.

ALT C1	Change to Base
GPR	\$540,000

2. Provide \$40,000 GPR in additional funding for each of JEM grants, Meetings Mean Business grants, and Ready, Set, Go! grants. Increase the statutory minimum allocation for JEM grants to \$1,170,000.

ALT C2	Change to Base
GPR	\$240,000

3. Specify that the funding is one-time.
4. Take no action.

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Attachment

ATTACHMENT 1

Meetings Mean Business Grant Awards

<u>Event Name</u>	<u>Awarded</u>	<u>County</u>	<u>Recipient Organization</u>
2020-21			
Going on Faith Conference	\$20,000	Brown	Greater Green Bay Convention & Visitors Bureau
Sports Broadcast Symposium and Dream Job Competition	<u>7,230</u>	Rock	Beloit Convention & Visitors Bureau
Total	\$27,230		
2021-22			
Travel Blog Exchange (TBEX) North America	\$30,000	Eau Claire	Visit Eau Claire
Wisconsin Golf Travel Showcase	29,488	Portage	Stevens Point Area Convention & Visitors Bureau
National Association of Congregational Christian Churches Annual Meeting & Conference	20,000	Waukesha	Visit Brookfield
World Congress Genetic Applied Livestock Production	20,000	Dane	Destination Madison
Health Physics Society Annual Meeting	10,000	Dane	Destination Madison
Supreme Session	5,000	Dane	City of Middleton
North American Maple Syrup Council 2022 Annual Meeting	<u>2,750</u>	La Crosse	Explore La Crosse
Total	\$117,238		

ATTACHMENT 2

Ready, Set, Go! Grant Awards

<u>Event Name</u>	<u>Awarded</u>	<u>County</u>	<u>Recipient Organization</u>
2020-21			
2022 U.S. Olympic Time Trials - Long Track	\$20,000	Milwaukee	Visit Milwaukee
2021 USA Climbing National Championships	20,000	Dane	Madison Area Sports Commission
Tackle Warehouse TITL Pro Circuit Championship	20,000	La Crosse	La Crosse County Convention & Visitors Bureau
Battle at the Bay/World Series of Ice Drags	10,000	Brown	Greater Green Bay Convention & Visitors Bureau
Kenosha Marathon	10,000	Kenosha	Kenosha Area Convention & Visitors Bureau
National Professional Fishing League Bass Tournament	10,000	Winnebago	Oshkosh Convention & Visitors Bureau
2022 College Table Tennis National Championships	8,740	Eau Claire	Eau Claire Area Convention & Visitors Bureau
2021 Baseball Players Association Dairyland Baseball Series	7,275	Multiple	Visit Beloit
2021 Elite One Cup Qualifier	<u>5,982</u>	Outagamie	Fox Cities Convention & Visitors Bureau
Total	\$111,997		
2021-22			
United States Senior Open Championship	\$30,000	Portage	Stevens Point Area Convention & Visitors Bureau
American Cornhole Organization Heroes Cup	20,000	Brown	Discover Green Bay
Olympic Team Trials and U.S. Boxing National Championships	20,000	Dane	Madison Area Sports Commission
IIHF U18 Women's World Ice Hockey Championships	10,000	Dane	Madison Area Sports Commission
Women's Para Ice Hockey World Challenge	10,000	Brown	Discover Green Bay
Great Lakes Watercross Series - Kenosha and Racine/Mt. Pleasant	6,512	Kenosha	Visit Kenosha
Wisconsin United Football Club Patriot Cup	<u>6,250</u>	Outagamie	Fox Cities Convention & Visitors Bureau
Total	\$102,762		

ATTACHMENT 3

Joint Effort Marketing Grant Awards in 2021-22

<u>Event Name</u>	<u>Event Type</u>	<u>Amount</u>	<u>County</u>	<u>Organizer</u>
All Aboard for Osceola Tourism - Year 2	Sales Promotion	\$39,550	Polk	Osceola Historical Society
Antigo Lions Roaring Raceway Championship Off-Road Race	Existing Event	20,000	Langlade	Antigo Lions Club Inc.
Art & Chalk Fest 2022 A Live Arts Festival - Year 2	Existing Event	15,450	Washington	Museum of Wisconsin Art
Art at the Park - Year 2	Existing Event	5,000	Outagamie	Trout Museum of Art
Art Escape	New Event	29,763	Bayfield	Bayfield Chamber of Commerce and Visitor Bureau
Barron County Pro Rodeo Event - Year 3	New Event	17,313	Barron	Barron County Pro Rodeo Inc
Blue Ox Music Festival - Year 2	Existing Event	19,875	Eau Claire	Visit Eau Claire
Bourbon, Bluegrass & Brews	Existing Event	24,788	Pierce	River Falls Area Chamber of Commerce
Come Out and Play! Driftless Wisconsin - Year 3	Destination Marketing	7,841	Multiple	Driftless Wisconsin Inc
Coon Creek Canoe Race - Year 3	New Event	1,575	Vernon	Coon Valley Business Association
Country Fest 2022	Existing Event	30,000	Chippewa	Chippewa Falls Area Chamber of Commerce
Country Jam USA-Operation Head East - Year 2	Existing Event	39,500	Eau Claire	Visit Eau Claire
Crandon Rocks Labor Day Weekend - Year 2	Existing Event	30,000	Forest	Forest County Chamber of Commerce
DAS Fest USA - Year 2	New Event	24,500	Walworth	United Way of Walworth County
Destination Weddings in Oshkosh - Year 2	Sales Promotion	20,000	Winnebago	Visit Oshkosh
Dino Daze - Year 2	New Event	1,000	Green Lake	Green Lake Renewal.Inc.
Dirty Ninja Mud Run for Kids™ - Year 2	Existing Event	5,000	Washington	City of West Bend
Discover Polk County Wisconsin	Destination Marketing	13,075	Polk	Polk County Tourism Council
Eau Claire Marathon	Existing Event	39,500	Eau Claire	Visit Eau Claire
ElktoberFest	New Event	27,928	Sheboygan	Elkhart Lake Tourism
Fat Bike World Championships	New Event	10,150	St. Croix	BRF-Apex Cycling Inc
Fox Cities Rebranding – Fox Cities Originals – Year 3	Destination Marketing	35,000	Outagamie	Fox Cities Convention & Visitors Bureau
Frank Lloyd Wright Trail Relaunch	Destination Marketing	39,550	Multiple	Taliesin Preservation
Friends of Rapids Music Festival 2022 - Year 2	Existing Event	1,915	Wood	Friends of Rapids Music
Glass Lakeside Art Show & Sale Arts Festival	New Event	39,500	Winnebago	Bergstrom-Mahler Museum of Glass
Ice Carving Challenge 2022	New Event	14,250	Marinette	City of Marinette
J.R.R. Tolkien: The Art of the Manuscript	One-Time/One-of-a-Kind	27,825	Milwaukee	Marquette University
Jack-O'-Lantern Nights at Racine Zoo	New Event	39,550	Racine	Racine Zoological Society, Inc.
Mineral Point Blues and Roots Festival 2022 - Year 2	Existing Event	2,150	Iowa	Mineral Point Historical Society
Northern Wisconsin ATV/UTV Traveler Development Project - Year 2	Destination Marketing	39,550	Multiple	Antigo/Langlade County Chamber of Commerce & Visitors Center

<u>Event Name</u>	<u>Event Type</u>	<u>Amount</u>	<u>County</u>	<u>Organizer</u>
Northwoods Fall Ride	Existing Event	\$30,000	Lincoln	Tomahawk Regional Chamber of Commerce
Oneida County Research Project: Diversity, Equity, Accessibility, Inclusion	Destination Marketing	39,550	Oneida	Let's Minocqua
Quad-County Trail Adventures	Destination Marketing	39,550	Oconto, Florence, Forest, and Marinette	Oconto County Economic Development Corporation Inc
Rib Mountain Adventure Challenge - Year 2	Existing Event	4,395	Marathon	Ironbull
Ride Across Wisconsin	Existing Event	39,550	Multiple	Wisconsin Bike Federation
Rock Fest 2022	Existing Event	30,000	Chippewa	Chippewa Falls Area Chamber of Commerce
Sledding in Sawyer County: A Snowmobile Friendly Community - Year 2	Destination Marketing	11,225	Sawyer	Hayward Lakes VCB
Stormy Kromer: Evolution of a Classic	One-Time/One-of-a-Kind	28,250	Marathon	Leigh Yawkey Woodson Art Museum
Taste N Glow Balloon Fest Bureau	Existing Event	29,663	Marathon	Wausau/Central Wisconsin Convention & Visitors
The Nature of Light: An Exploration After Dark	One-Time/One-of-a-Kind	28,250	Winnebago	Paine Art Center & Gardens
U.S. Open Chainsaw Sculpture Championship	Existing Event	30,000	Eau Claire	Visit Eau Claire
Vilas County Demographic Traveler Research and Branding Project	Destination Marketing	39,550	Vilas	Vilas County Tourism & Publicity
Visit Marshfield Branding Campaign - Year 3	Destination Marketing	12,750	Wood	Visit Marshfield
#welovethenorthwoods Regional Marketing Campaign - Year 3	Destination Marketing	28,000	Multiple	Let's Minocqua
Whitewater Storytelling Festival - Year 2	New Event	1,850	Walworth	Whitewater Chamber of Commerce
Winter Wonders 2021: Boerner Bigger and Brighter - Year 3	New Event	16,638	Milwaukee	Friends of Wehr Nature Center, Inc.
Wisconsin Art Museums Collaboration	Destination Marketing	39,550	Statewide	Paine Art Center & Gardens
Wisconsin Arts and Peony Festival	Existing Event	7,381	Dodge	Beaver Dam Chamber of Commerce
Wisconsin River Pro Rodeo	Existing Event	12,750	Lincoln	Lincoln County Rodeo Association
Total		\$1,130,000		

Note: Awards listed were made in 2021-22 and will be reimbursed mostly in 2022-23. As such, award amounts do not match JEM grant expenditures for 2021-22 shown in Table 4.