



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #753

Office of Outdoor Recreation (Tourism)

[LFB 2023-25 Budget Summary: Page 615, #6]

CURRENT LAW

The Department of Tourism is responsible for promoting visitor activity and spending in the state, as well as advertising Wisconsin destinations and attractions. The Department's primary activities include: (1) advertising the state's scenic, historic, cultural, recreational, and other attractions through digital, print, radio, and television communications; (2) providing information to prospective travelers by internet, social media, and telephone; (3) developing cooperative marketing programs with the state tourism industry; (4) administering tourism-related grants; and (5) administering tourism development programs that assist businesses and municipalities in identifying marketable features that may attract customers.

The Department operates the Office of Outdoor Recreation (OOR) to facilitate the promotion of Wisconsin's outdoor recreational opportunities and to connect businesses and other interests involved in outdoor recreation. The Office of Outdoor Recreation's mission is "to support and uplift the state's outdoor recreation industry for the economic health and overall wellbeing of the state and its residents." OOR operates according to four principles: (1) to encourage residents, visitors, and businesses to experience the state's natural places and outdoor recreation offerings as a means of economic development; (2) to connect people to Wisconsin's natural places and outdoor recreation opportunities through access and education; (3) to promote active lifestyles and healthy individuals and communities; and (4) to sustain Wisconsin's natural assets by encouraging outdoor recreation, and the preservation of lands and waters.

2019 Wisconsin Act 9 created the Office and provided Tourism with 3.0 GPR two-year project positions and associated funding in the 2019-21 biennium. 2021 Act 58 reauthorized the Office's funding of \$353,800 annually and 3.0 project positions for two more years. Funding and positions expire on June 30, 2023, and authorized positions are removed under standard budget adjustments.

DISCUSSION POINTS

1. Wisconsin is generally regarded as having a significant outdoor recreation industry, including such activities as hunting, fishing, recreational vehicle use, hiking, cycling, climbing, boating, and skiing. The U.S. Bureau of Economic Analysis maintains and publishes estimates on the size of states' outdoor recreation industries, and the activities listed are generally considered by BEA to be 'conventional outdoor recreation.' BEA estimates Wisconsin's conventional outdoor recreation industry adds \$4.1 billion in economic activity as of 2021, the most recent year for which statistics are available. BEA ranks Wisconsin 13th among states for largest economic value added by outdoor recreation. BEA estimates Wisconsin's outdoor recreation industry grew an average of 2.6% from 2012 to 2021, and 4.1% from 2019 to 2021. These growth rates ranked Wisconsin an estimated 33rd and 36th, respectively.

2. Since its creation in 2019, OOR's projects have included: (1) establishing an advisory committee to guide the Office's operations; (2) creating a stakeholder contact and amenity database; (3) meeting with industry stakeholders; (4) establishing a website and a monthly email for subscribers; (5) deploying an input survey to stakeholders; (6) creating a free, downloadable toolkit to advise communities on safe recreation during the COVID-19 pandemic; (7) airing a radio public service announcement campaign; (8) establishing an outdoor recreation business directory; (9) publishing an economic impact report; and (10) creating a series of webinars. Lifetime metrics of the Office's achievements, provided by Tourism, include: (a) 329 stakeholder meetings; (b) 557% increase in page views of the Wisconsin Trail Report since 2021; (c) 1,054 business and organizations listed in the business directory; (d) 2,030 newsletter subscribers; (e) six webinars; (f) 965 webinar registrations; (g) six toolkits and publications; and (h) 6,191 website users accessing tools and resources.

3. Assembly Bill 43/Senate Bill 70 would authorize 3.0 permanent positions for the Office of Outdoor Recreation. Table 1 shows the Office of Outdoor Recreation's GPR expenditures for 2021-22, estimated expenditures for 2022-23, and projected expenditures under the bill, as reported by Tourism. (The table does not include a minimal amount of Office of Outdoor Recreation-related supplies and services expenditures in other appropriations during the current biennium.) The Office also manages a \$300,000 outdoor recreation mapping project, initiated using funding allocated by the Governor under the American Rescue Plan Act (ARPA) in 2022-23. Funding for positions in future years is calculated for nine months of work in 2023-24 and 12 months in 2024-25, and at classification minimums for the intended positions.

TABLE 1

Office of Outdoor Recreation Expenditures

<u>Category</u>	<u>2021-22</u>	<u>2022-23*</u>	<u>2023-24**</u>	<u>2024-25**</u>
Salary	\$182,500	\$191,200	\$110,000	\$146,800
Fringe Benefits	57,000	67,300	49,000	65,400
Supplies and Services	<u>64,600</u>	<u>55,400</u>	<u>360,500</u>	<u>360,500</u>
Total	\$304,100	\$313,900	\$519,500	\$572,700

*Estimated.

**Assembly Bill 43/Senate Bill 70

4. In its agency budget request in September, 2022, Tourism requested the continuation of 3.0 positions, salaries and fringe benefits shown in Table 1, and \$78,000 each year in supplies and services for such costs as space occupancy, computer and technology costs, travel, and costs of production for OOR publications and resources. This is generally consistent with the level of funding provided for OOR in the 2021-23 biennium. Funding for OOR under AB 43/SB 70 reflects an additional \$282,500 GPR each year in supplies and services. Tourism indicates that the additional \$282,500 each year would be used for the activities listed in Table 2.

TABLE 2
Office of Outdoor Recreation Additional Supplies and Services Budget
AB 43/SB 70

<u>Item</u>	<u>Description</u>	<u>Cost</u>
Trail Report	Website providing trail condition information	\$31,500
Workforce Attraction Tool	Publication advertising outdoor recreation for employer recruitment	15,000
Economic Impact Report	Report describing Wisconsin outdoor recreation outcomes	12,000
Asset Collection Project	Database of amenity and destination information	50,000
Website	Office's website at outdoorrecreation.wi.gov	40,000
Education and Recruitment	Videos and print materials to engage audiences	19,000
Social Media	Creation and maintenance of social media accounts	2,000
Tradeshows and Events	Presence at consumer-facing events	50,000
Educational Webinars	Creation of webinars to promote the office	5,000
Stakeholder Meetings	Meetings and collaboration with partners	12,000
Travel	State fleet vehicles, meals, hotel rooms	6,000
Supplies and Services	Increases in costs	<u>40,000</u>
Total		\$282,500

5. Tourism reports that, if the office and positions were extended, its primary endeavors would include: (a) continuation of the Wisconsin Trail Report, an online trail mapping site that shows the conditions of trails, parks, and other public terrain; (b) enhancement of OOR's database, which contains information about all outdoor recreation amenities; and (c) an increased presence at tradeshows, which the Department indicates it is generally unable to accomplish with current funding levels. Other activities in Table 2 include: (a) a workforce attraction tool, which OOR has published for state employers to use in promoting Wisconsin's outdoor recreational opportunities and quality of life to prospective employees; (b) the continued publication of the economic impact report; (c) further website development and maintenance; and (d) the continuation of educational webinars and meetings with industry stakeholders.

6. The National Conference of State Legislatures reports that an increasing number of states have created outdoor recreation offices, task forces, or other bodies. In 2019, 10 states reported having such offices. In 2021, there were 15 states with outdoor recreation offices, and in 2023 there are 18 including: Arkansas, Colorado, Maine, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, New Mexico, North Carolina, Oregon, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming.

7. OOR could be seen as providing cross-industrial promotional and communications services for industries and entities involved in outdoor recreation, and that are not otherwise provided in the state in a coordinated manner. Further, it appears that outdoor recreation offices are increasingly becoming a typical component of state tourism or economic development programming. From that perspective, it may be desirable to continue Wisconsin's office, rather than discontinue services that outdoor-oriented businesses and travelers may come to see as standard throughout states.

8. On the other hand, some may view the four years of OOR operations as demonstrating services that, while perhaps valuable, could be furnished by other non-state or private providers for the benefit of associated businesses and interested groups. Tourism would retain current statutory authorizations for promoting Wisconsin natural and recreational destinations, and coordinating the development of Wisconsin's tourism industry and its constituent sectors. Other state, local, and private entities would likely remain engaged in promoting outdoor recreation in parks and other areas.

9. The Committee could provide all ongoing funding and positions under Assembly Bill 43/Senate Bill 70 [Alternative 1], which would cover the costs of OOR's standard 3.0 positions and activities, and an additional \$282,500 GPR each year. Alternatively, the Committee could provide funding and positions under the September, 2022, agency request, and generally commensurate with the amounts of the last two biennia [Alternative 2].

10. Tourism contends that additional funding under AB 43/SB 70 is imperative as other states create outdoor recreation offices. In addition to Alternative 2, the Committee could consider a lower level of supplies and services than recommended under AB 43/SB 70, but higher than the amounts requested under the September, 2022, agency budget request. Table 3 lists several alternatives the Committee could consider to provide funding for different groups of activities. Alternative 3a would provide funding for three activities Tourism indicated were among the most important to continue. Alternatives 3b and 3c provide different options to include additional activities discussed previously.

TABLE 3

Office of Outdoor Recreation Additional Supplies and Services Alternatives

<u>Item</u>	<u>Cost</u>	<u>Alt. 3a</u>	<u>Alt. 3b</u>	<u>Alt. 3c</u>
Trail Report	\$31,500	\$31,500	\$31,500	\$31,500
Workforce Attraction Tool	15,000		15,000	15,000
Economic Impact Report	12,000		12,000	
Asset Collection Project	50,000	50,000	50,000	50,000
Website	40,000		40,000	40,000
Education and Recruitment	19,000			
Social Media	2,000			
Tradeshows and Events	50,000	50,000		50,000
Educational webinars	5,000		5,000	
Stakeholder meetings	12,000		12,000	
Travel	6,000			
Supplies and Services	<u>40,000</u>	<u> </u>	<u> </u>	<u> </u>
Total	\$282,500	\$131,500	\$165,500	\$186,500

11. The Committee could provide funding and positions but specify that the funding is one-time, and the positions expire in two or four years [Alternative 4]. Additional one-time authorizations could allow the Department to continue developing OOR programs while allowing the Legislature to determine permanent funding and positions at a future time. The Committee could also take no action [Alternative 5]. OOR positions and funding would expire on June 30, 2023.

ALTERNATIVES

1. Provide ongoing funding of \$519,500 in 2023-24 and \$572,700 in 2024-25 with 3.0 permanent positions for the Office of Outdoor Recreation. (\$282,500 GPR each year would be for additional supplies and services as recommended in AB 43/SB 70.)

ALT 1	Change to Base	
	Funding	Positions
GPR	\$1,092,200	3.00

2. Provide ongoing funding of \$237,000 in 2023-24 and \$290,200 with 3.0 permanent positions for the Office of Outdoor Recreation. (Amounts would cover staff salary, fringe benefits, and supplies and services similar to prior biennia, as submitted under Tourism's September, 2022, agency request.)

ALT 2	Change to Base	
	Funding	Positions
GPR	\$527,200	3.00

3. In addition to Alternative 2, provide one of the following amounts for additional supplies and services:

a. \$131,500

ALT 3a	Change to Base
GPR	\$263,000

b. \$165,500

ALT 3b	Change to Base
GPR	\$331,000

c. \$186,500

ALT 3c	Change to Base
GPR	\$373,000

4. Specify funding under other Alternatives 3 as one-time funding in the 2023-25 biennium and authorized positions as project positions for one of the following terms

a. Four years; or

b. Two years.

5. Take no action.

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