



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #892

DNR Tourism Support (DNR -- Departmentwide and Tourism)

CURRENT LAW

The Secretaries of the Departments of Natural Resources and Tourism entered into a memorandum of understanding (MOU) in June, 1998, under which DNR agreed to pay Tourism \$4,200 in 1997-98 and \$25,000 annually every fiscal year thereafter for funding for staff, equipment, advertising, promotion, public relations and related support costs at the Chicago travel information center

GOVERNOR

No provision.

DISCUSSION POINTS

1. Tourism requested that DNR provide funding as recognition of the workload of travel information center staff in responding to questions about hunting, fishing and recreational vehicles and for credit card processing costs for licenses sold at the center. Given the nature of many of the inquiries received by Tourism about outdoor-related recreation in Wisconsin, it could be judged appropriate to provide some level of conservation fund SEG for such purposes.

2. Tourism staff indicate that no other state agency makes payments to Tourism for operations of the Department's travel information centers. Further, the 1995-97 budget transferred 19.5 positions (18.5 GPR and 1.0 SEG) and associated funding of over \$1 million to the newly-created Department of Tourism in 1996. Of the 19.5 positions, 3.0 (15%) were identified for parks-related promotion and activities. The overall staff transferred from DNR represents 31% of Tourism's current 62.25 base positions. It could be argued that base level resources in Tourism adequately recognize the agency's effort to support natural resource-based recreation and tourism.

3. Tourism collects the same issuing fee as all other vendors that issue licenses under

the state's automated licensing issuance system (ALIS). Tourism estimates these commissions (generally, 50¢ per license issued) at \$2,500 annually. Further, Tourism and all other ALIS vendors may charge and retain a \$3 fee for each person purchasing licenses by credit card. While Tourism has not yet begun charging this fee, they project revenue of \$2,300 annually from the credit card fee.

4. DNR makes the \$25,000 annual payment to Tourism from a conservation fund appropriation for customer service and licensing. The appropriation is split funded from eight accounts in the conservation fund. In the 1999-01 biennial budget the Governor recommended providing \$25,000 SEG annually to make the Tourism payments. Instead, the Joint Committee on Finance proposed, and the Legislature adopted, a provision that would have deleted the additional funding and prohibited DNR from expending any funding from its appropriations to pay for a program operated, or an activity conducted, by the Department of Tourism. This would have had the effect of voiding the MOU, but maintaining direct appropriations from the conservation fund to Tourism for administrative services and operation of the Kickapoo Reserve Management Board. The Governor item-vetoed the DNR expenditure prohibition in 1999 Act 9 and DNR continues to make the payments to Tourism.

5. If the Committee does not support the continued funding of the Chicago tourism center by DNR, several alternatives could be considered. Base-level funding to support the MOU could be deleted from DNR. The \$25,000 annual reduction could be taken from the SEG appropriation used to make the current payment or from DNR's \$2.5 million GPR general operations appropriation for customer assistance (the conservation SEG associated with the MOU could then be reallocated to cover the GPR expenditures). In lieu of, or in addition to, a funding reduction, DNR could be prohibited from making payments to Tourism. If no action is taken, DNR would continue to make annual payments to support the Chicago travel information center.

6. Tourism currently operates 13 travel information centers at a cost of over \$1.5 million annually. Twelve of the centers (including Chicago) are funded from Tourism's \$4.1 million annual general operations GPR appropriation. The center in Minnesota's Mall of America was opened in June, 2000 and is funded primarily from the Department's marketing appropriations (approximately \$7.1 million GPR and \$4.0 million in tribal gaming PR annually). Another alternative would be for DNR to continue its \$25,000 annual payments, but to delete a corresponding amount either from Tourism's general operations or marketing appropriation to reflect the DNR subsidy of the Chicago center.

ALTERNATIVES

1. Delete \$25,000 annually from DNR related to the Tourism MOU from one of the following sources:

a. Conservation Fund SEG

Alternative 1a	SEG
2001-03 FUNDING (Change to Bill)	- \$50,000

b. GPR

Alternative 1b	GPR
2001-03 FUNDING (Change to Bill)	- \$50,000

2. In addition to or in lieu of, Alternative 1, prohibit DNR from making any payments from its appropriations under s. 20.370 for Tourism operations or activities.

3. Delete \$25,000 GPR annually from one of the following Tourism appropriations.

a. General operations.

b. Marketing.

Alternative 3	GPR
2001-03 FUNDING (Change to Bill)	- \$50,000

4. Maintain current law. (DNR could continue to allocate base funding to make payments to Tourism under the MOU.)

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