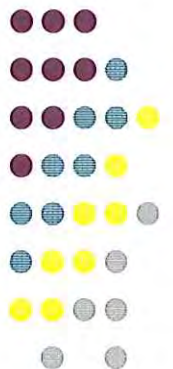




State Tourism Promotion

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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 toll-free tourist information by telephone; (3) developing joint effort tourism marketing programs; (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.

Until January 1, 1996, the Division of Tourism Development within the Department of Development (DOD) was responsible for the overall promotion of the state's tourism industry. However, on that date, a separate Department of Tourism, headed by a Secretary who is appointed by the Governor and subject to Senate confirmation, was statutorily created. The Department performs tourism-related functions similar to those previously carried out by the Division of Tourism Development. However, 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 and Wisconsin Arts Boards from the Department of Administration (DOA).

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 Director 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 American Indian tourism), and 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. These subcommittees include Joint Effort Marketing (JEM) Grant Review, Marketing, Meetings and Conventions, and Sports Marketing.

Economic Impact of Travel

Since 1989, Tourism has contracted with the

research firm Davidson-Peterson Associates, Inc., to conduct an annual study measuring the economic benefits derived from dollars spent by travelers in Wisconsin. For purposes of the study, "travelers" include all those "traveling outside their normal routine" whether they are out-of-state or Wisconsin residents and whether they travel for leisure, recreation, business, or visiting family or friends.

The method of the annual study is to determine economic impact through data samples collected from interviews with travelers, lodging owners and state residents. For example, in 2009 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 how much is spent 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. Finally, approximately 800 interviews were conducted by phone with randomly selected Wisconsin households to determine the number of unpaid overnight stays with family or friends during the year.

Table 1 lists the amount of traveler expenditures and overnight visitors in Wisconsin. The overnight visitor count is measured in overnight person-visits, which Davidson-Peterson defines as one person staying one or more nights at one lodging accommodation. For example, a couple on a three-night stay at one hotel would count as two, whereas if they changed lodging each night, they would be counted as six "visitors." As indicated in the table, estimated traveler expenditures not adjusted for inflation generally increased each year up to 2007, as did the number of overnight visitors in the state.

In its 2009 study, Davidson-Peterson Associates, Inc. estimated that travel spending (where travel was defined as all movement outside of someone's normal routine) in the state had a total

Table 1: Estimated Spending by Travelers

Calendar Year	Traveler Expenditures		Overnight Visitors	
	Amount (Billions)	Percent Change	Number (Millions)	Percent Change
1997	\$6.80	1.5%	\$29.8	-2.0%
1998	8.12	19.4	31.9	7.0
1999	9.08	11.8	32.2	0.9
2000	11.05	21.7	37.4	16.1
2001	11.45	3.7	36.9	-1.3
2002	11.56	1.0	38.0	3.0
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

economic impact on resident income of approximately \$6.7 billion. That figure includes \$3.38 billion in direct impacts, which are economic benefits for those who receive visitors' expenditures directly, as well as indirect impacts, which accrue from tax receipts and direct recipients' subsequent spending. Davidson-Peterson also estimates total state and local government revenues of approximately \$1.3 billion and \$611 million, respectively, for 2009. Of those figures, direct state revenues are estimated at \$790 million and direct local revenues are estimated at \$256 million. Davidson-Peterson also estimates that travel spending supported approximately 286,400 full-time equivalent (FTE) jobs in Wisconsin in 2009. These figures are summarized in Table 2.

In 1998, Tourism attempted to measure the economic impact of those travelers who could generally be considered tourists or leisure travelers, such as convention travelers or those who usually make two or fewer trips to the state in a given year. It is these travelers that are most likely to be influenced by the state's tourism promotions. Utilizing economic impact study, traveler profile and interest data, Tourism estimated that these convention and infrequent travelers in 1996 had an economic impact of approximately \$3.5 billion, or just over one-half of the \$6.7 billion in reported travel expenditures that year.

Table 2: Estimated Economic Impacts of Travelers

Calendar Year	FTE Jobs Supported		Resident Income (Total)		State Revenues (Total)		Local Revenues (Total)	
	Amount	Percent Change	Amount (Millions)	Percent Change	Amount (Millions)	Percent Change	Amount (Millions)	Percent Change
2005	\$308,200	--	\$6,720	--	\$1,386	--	\$550	--
2006	327,800	6.4%	7,253	7.9%	1,480	6.8%	586	6.5%
2007	302,200	-7.8	7,086	-2.3	1,422	-3.9	638	8.8
2008	310,300	2.7	7,287	2.8	1,463	2.9	664	4.1
2009	286,400	-7.7	6,720	-7.8	1,349	-7.8	611	-8.0

Since it is impossible to ascertain precise expenditures or the number of "tourists" from the broader category of "travelers," it is difficult to provide a reliable estimate of the economic impact of tourism on Wisconsin. However, it is certain that tourism is among the largest industries in the state.

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 3 shows historic funding levels for tourism promotion and program operations. In 2010-11, the Department is provided \$12,965,600, which includes: (a) \$2,876,500 in state general purpose revenues (GPR); (b) \$8,479,900 from program revenues (PR); and (c) \$1,609,200 in segregated revenue (SEG). The Department is also authorized 30.45 positions, all of which are GPR-supported. In addition, \$189,600 PR and \$819,400

Tourism Promotion Funding

In creating the Department of Tourism, 1995

Table 3: 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
1991-92	\$7,092,400	\$0	\$0	\$7,092,400	\$1,978,100	\$0	\$0	\$347,000	\$27,400	\$9,444,900
1992-93	7,110,300	0	0	7,110,300	2,096,200	0	0	266,200	27,400	9,500,100
1993-94	7,110,300	0	0	7,110,300	2,205,200	0	0	153,900	85,500	9,554,900
1994-95	8,110,300	0	0	8,110,300	2,200,900	0	0	131,700	85,500	10,528,400
1995-96	7,750,000	0	0	7,750,000	3,019,000	0	26,400	131,700	162,100	11,089,200
1996-97	7,741,000	0	0	7,741,000	3,724,700	0	52,700	131,700	324,200	11,974,300
1997-98	7,741,000	0	0	7,741,000	3,673,900	0	42,500	134,200	127,900	11,719,500
1998-99	9,241,000	0	0	9,241,000	3,726,600	0	42,500	134,200	149,600	13,293,900
1999-00	7,691,000	3,976,500	0	11,667,500	3,926,900	23,500	46,400	185,400	106,200	15,955,900
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

Table 4: Comparative Tourism Budgets

State	1987-88		2000-01		2009-10		Percent Increase (FY 88 to FY 10)	
	Total (millions)	Per Capita	Total (millions)	Per Capita	Total (millions)	Per Capita	Total	Per Capita
Illinois	\$20.5	\$1.79	\$62.2	\$5.13	\$48.9	\$3.81	139%	113%
Iowa	1.4	0.50	5.3	1.85	3.9	1.28	179	156
Michigan	10.6	1.14	15.9	1.61	17.0	1.72	60	51
Minnesota	5.9	1.35	11.4	2.39	8.9	1.68	51	24
Ohio	6.4	0.59	7.9	0.71	5.1	0.44	-20	-25
Wisconsin	6.3	1.29	16.1	3.07	13.1	2.30	108	79
Combined Average	\$8.5	\$1.11	\$19.8	\$2.46	\$16.1	\$1.87	86%	66%

SEG with 3.0 SEG and 1.0 PR positions are authorized for the administration and maintenance of the Kickapoo Valley Reserve, which is budgeted under Tourism.

As shown in Table 3, until 1999, tourism-related activities were primarily funded by GPR. Since then, the Department of Tourism has also received 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. As a biennial appropriation, all funds not expended within the biennium lapse back to the funding source, which, in this case, is the transportation fund. The same provision applies to the Department's biennial tribal

gaming PR appropriation, although remaining tribal gaming PR lapses to the state general fund.

While state funding for tourism promotion and operation has generally increased over the last two decades, funding was reduced across most state agencies in Wisconsin due to budget conditions from 2001-02 through 2004-05 and again in the 2009-11 biennium. However, tourism funding increased each year between 2005-06 and 2008-09.

Based on state budgets for fiscal year 2007-08, the last year for which national data were available, Wisconsin ranked twentieth among U.S. states in total tourism funding. Table 4 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 over a 22-year period. Most of these states' tourism budgets are financed from general fund taxes.

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 \$9,970,700 is budgeted for marketing activities in 2010-11, with \$8,373,600 coming from tribal gaming PR and \$1,597,100 coming from

Table 5: Tourism Marketing Expenditures (2009-10)

Category	Amount	% of Total
Advertising	\$5,095,260	57.7%
Joint Effort Marketing (JEM) Program	1,124,539	12.7
Technology Marketing (E-marketing)	801,200	9.1
Minority Marketing Program	467,700	5.3
Statutorily Specified Marketing	450,000	5.1
Public Relations	415,800	4.7
Customer Services (Fulfilling requests)	184,900	2.1
Research	181,200	2.1
Other (Professional services, association dues, software)	70,100	0.8
Printing (Publications, other printed material)	<u>45,400</u>	<u>0.5</u>
Total	\$8,836,099	100.0%

transportation fund SEG. These marketing funds will account for approximately 77% of the Department's total budget in 2010-11, excluding budgetary authority associated with the Kickapoo Valley Reserve. Table 5 provides a breakdown for tourism marketing expenditures in 2009-10. As the table indicates, nearly half of the marketing expenditures were for advertising, with a significant amount also expended for Joint Effort Marketing grants.

Annual Statewide Marketing Strategy. The Department is statutorily required to annually formulate and publish a marketing strategy for Wisconsin attractions, which is to guide the decisions and expenditures made by the Department throughout the year. The Secretary forms the annual marketing strategy under consultation with five selected members of the Council on Tourism. The Department also reports that it forms the annual marketing strategy on the basis of a long-term plan created in recent years in consultation with tourism experts. 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 Internet-based, print and other forms of advertising to encourage travel in Wisconsin.

For example, Tourism runs promotional advertising in newspapers and on travel Web sites. The Department reports that it focuses much of this advertising in large population centers such as Chicago, Minneapolis/St. Paul, and in-state areas such as Milwaukee, Madison, and the Fox Cities. Tourism also operates toll-free informational phone numbers by which prospective visitors can contact the Department for trip planning assistance. In 2009, Tourism received approximately 22,300 phone calls on its toll-free numbers. Further, Tourism's own Internet site, www.travelwisconsin.com, had 1.37 million user sessions in calendar year 2009, or an average of approximately 114,200 sessions per month.

Those who contact Tourism by phone, mail, e-mail or Internet can request to have informational packets sent to them. The Department sent approximately 48,900 such packets in 2009. Packets may also be sent as direct mail publications to prospective tourists.

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 Department also offers opportunities through its Co-op Advertising Program under which the state buys a banner heading in a newspaper or magazine to place over a group of advertisements from Wisconsin tourism businesses and organizations to create a single advertisement. Tourism purchases large volumes of advertising under this program to leverage lower prices for cooperative participants. This program allows local destinations, attractions and tourism businesses to establish a presence in large markets. Advertising

in such markets may otherwise be unaffordable for many businesses.

In addition, Tourism created the co-op e-mail program in 2006, which allows businesses to purchase advertisement space in a monthly Department e-mail sent to subscribers who have chosen to receive these e-mails. The goal of the advertisements is to convince the viewer, listener or reader to visit the Department's Web site or call for travel information provided free of charge by Tourism. The Department focuses most advertising in Chicago and the Twin Cities, as well as within the state, predominantly Milwaukee and the Fox Cities.

The Department formerly operated a co-op direct mail program, under which tourism-related businesses and attractions purchased mailing addresses from the Department for their own targeted marketing campaigns. The Department discontinued the program in 2009 due in part to decreasing interest by consumers in opting to receive mailings. The Department reports it also elected to further develop the other cooperative programs, which the Department considers to be more cost-effective in reaching prospective visitors.

Marketing Contracts. Tourism uses services of private firms under contract to carry out several of the marketing and advertising activities described earlier. 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, the co-op advertising program is carried out by Milwaukee-based Laughlin Constable. Laughlin Constable also is responsible for: (a) creating and placing general advertising in print, broadcast and Internet-based media; (b) public relations efforts; and (c) marketing research. For LC services in 2010-11, Tourism has allocated approximately \$5.3 million, including \$4.8 million for marketing and \$460,000 for public relations.

Tourism conducts multicultural advertising under contract with Red Brown Klé of Milwaukee,

which has responsibilities of targeting communications to African-American, Hispanic and Asian markets. For 2010-11, Tourism has allocated \$350,000 for services under the Red Blown Klé contract.

Tourism contracts for Web-related services through Hanson Dodge Creative, also of Milwaukee. Hanson Dodge provides various services related to content and technical administration of Tourism's travelwisconsin.com Web site. Tourism has allocated \$394,300 for Hanson Dodge services in 2010-11.

Tourism is billed either by project or on a monthly basis, depending on the contract. The Laughlin Constable contract began in August, 2009, and runs for three years with up to two one-year renewals. The Red Brown Klé contract took effect in August, 2007, and carries a term of one year, with four one-year renewals possible. Extensions are granted at Tourism's discretion. The Hanson Dodge contract expires in early 2011, with Ascedia, Inc., a Wisconsin-based Web services firm, assuming those responsibilities.

Joint Effort Marketing Grants. In an effort to help non-profit 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 non-profit 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 dol-

lar 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: (a) magazines; (b) newspapers; (c) radio; (d) television; (e) e-mail; (f) Internet; (g) direct mail; (h) media kits; and (i) billboards. Expenses ineligible for JEM grants include: (a) operational costs; (b) local advertising; (c) research; and (d) 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: (a) the applicant has developed an advertising plan and budget; (b) the project coordinates with the statewide tourism marketing strategy; (c) the project has broad appeal and targets markets outside the local area; (d) the project will generate a substantial increase in tourist visits and expenditures; (e) the applicant is able to pay its share of the project costs; and (f) if the project is a continuing event, it has the potential to be self-sufficient within three years. Section 41.17(5) of the statutes requires Tourism to expend at least \$1,130,000 annually on the JEM program. The events receiving awards were scheduled to take place between December, 2009, and February, 2011. Many of these projects will be reimbursed in 2010-11. JEM expenditures for 2009-10 shown in Table 5 reflect reimbursements mostly for awards made in 2008-09. As such, JEM grant expenditures shown in Table 5 do not correspond to the grants awarded in 2010 that are shown by category in Table 6 and by award in Appendix 1.

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. How-

ever, 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. Destination marketing grants may supply up to \$10,000 per municipality, with a maximum grant of \$40,000 per project. Projects are eligible for three years of grants, and the years may be nonconsecutive. In 2009-10, 12 destination marketing awards constituted \$367,700, or approximately 32% of the \$1.14 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 support 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 po-

tential 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.

Table 6 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 2009-10.

Earmarks. Tourism is required under the stat-

utes 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 marketing appropriations for these expenditures. However, since 2005-06, no GPR has been available for marketing, and Tourism has generally used tribal gaming PR for these purposes rather than transportation fund SEG.

America's Black Holocaust Museum. The statutes require Tourism to allocate \$50,000 to America's Black Holocaust Museum in Milwaukee in each biennium. However, the Museum announced its indefinite closure in July, 2008, and has not reopened since. When the grant was active, Tourism customarily made a \$25,000 grant each fiscal year and awarded these grants after receiving the museum's marketing plan for use of the money. In

Table 6: Joint Effort Marketing (JEM) Grant Awards

Type	Description	Maximum Annual Project Amount	Years of Eligibility for Funding	2009-10 Awards
New Event	Projects promoting an inaugural event that is planned to continue in subsequent years.	\$39,550	Three*	\$479,200
Existing Event	Projects promoting an existing event but which target new geographic areas, new demographic audiences or use new media.	\$39,550	Two**	\$194,900
Sales Promotion	Projects that encourage visits from targeted markets by publicizing discounts or incentives.	\$39,550	Two**	\$27,800
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	\$71,500
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) \$40,000 (project)	Three*	\$367,700
				\$1,141,100

* Funding may be awarded in nonconsecutive years.

** Funding must occur in consecutive years.

NOTE: JEM grants are also limited to: 50% of a project's total costs in any year, 75% of a project's promotional costs in the first year, 50% of a project's promotional costs in the second year (if eligible for two years of grants) and 25% of promotional costs in the third year (if eligible for three years of grants).

2007-08, the last year of the grant, the museum used funding for: (a) a direct mailing to encourage visits from schools and churches; (b) a supplemental outreach program targeted to schools in the Milwaukee, Racine, Kenosha and Chicago areas during Black History Month in February; and (c) a radio campaign leading up to Juneteenth and encouraging listeners to visit the Museum's Web site. Tourism since 2008-09 has lapsed to the general fund the amounts normally reserved for the Museum earmark.

Milwaukee Public Museum. The statutes require the Department to allocate \$200,000 each biennium for grants to the Milwaukee Public Museum for Native American exhibits and activities. In previous biennia, the museum used Tourism funding to maintain Native American exhibits as well as to market the exhibits and Native American programming to school groups, summer camps and other prospective museum visitors.

However, beginning in the 2007-09 biennium, the Department indicates state funding was put toward other Museum marketing campaigns. Tourism reports this change initially was due to some Native American exhibits being closed for repairs. Tourism reports it reviews the marketing plans for the funds prior to authorizing funding for the campaign. In some cases, the campaigns were coordinated by a private marketing and advertising firm. In the 2009-11 biennium, the earmark was expected to support marketing in Chicago and northern Illinois for the "Dead Sea Scrolls and the Bible" and "Mummies of the World" traveling exhibits.

The Legislature approved a change under 2009-11 biennial budget that would have specified Tourism expend not less than \$200,000 to conduct or contract for marketing related to Museum exhibits and activities. This modification was intended to allow Tourism's current practice with the grants, which is at odds with the statutory requirement that the funds be used for Native American exhibits. However, this provision was vetoed by the Governor in 2009 Act 28.

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 from its tourism marketing appropriation to conduct or contract for marketing activities related to sporting activities and events. In 2009-10, the Department provided funding to the Wisconsin Sports Development Corporation (WSDC), an independent nonprofit organization that promotes sporting events in Wisconsin, to promote the summer and winter Badger State Games and to market Wisconsin as a destination for sports events. For 2010-11, the sports marketing funds are expected to support: (a) continued marketing of the Badger State Games; (b) marketing of the state to organizers of sporting events, including the sportswisconsin.com Web site marketing sports facilities in Wisconsin; and (c) in association with Tourism and the Wisconsin Association of Convention and Visitors Bureaus (WACVB), to facilitate the Ready, Set, Go! grant program.

The Ready, Set, Go! grant program provides matching grants to assist destinations in securing competition-related events expected to generate an economic impact for the area, and 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. In addition, should the event be profitable, the grantee is required to repay either 50% of the grant or 50% of the profit, whichever is less.

Tourism maintains a reserve for Ready! Set! Go! grant funds, and as of December, 2010, the Department had \$110,000 tribal gaming PR allocated. In 2009-10, Tourism made 13 grants for a total of \$101,900 under the program. The Department ac-

cepts applications three times a year, on January 1, May 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 is intended to promote tourist destinations of Wisconsin's Native American tribes, including notable cultural and natural sites. NATOW also serves as a clearinghouse for tourism publications such as its "Native Wisconsin" series. With the funding beginning in 2009-10, NATOW hired a tourism director, further developed and published its tourism promotional materials, and supported the organization's annual conference.

Other Marketing Activities. The Department of Tourism markets Wisconsin as a vacation destination in various other ways. It produces several informational publications, which are distributed throughout the state, sent to persons calling the Department in response to tourism advertisements, and posted on the Travel Wisconsin Web site. The Department also arranges customized familiarization tours to various parts of the state each year for travel writers. Further, the Department uses its Web site, 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: (a) conducting international tourism marketing promotions and advertising in conjunction with other area states through the Great Lakes of North America, a marketing subprogram of the Council of Great Lakes Governors; and (b) 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 2010-11, Tourism has allocated up to \$15,000 for Circle Wisconsin's marketing efforts,

particularly for participating in trade shows.

Regional Tourist Information Centers

In 2009, Tourism closed its eight Wisconsin Welcome Centers (WWCs). The WWCs were intended to offer a convenient source of information on Wisconsin destinations for persons traveling around the state borders. The eight locations were generally on major state highways at the most active state entry points, at Beloit, Hudson, Hurley, Kenosha, Kieler (Grant County), La Crosse, Marinette and Superior. Prior to 2009, the Department had previously closed welcome centers in Genoa City and Prairie du Chien in 2007. Two other centers, which had been located in Chicago and Madison, were closed in 2003, and a site in the Mall of America in Bloomington, MN, which opened in June, 2000, 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 owned 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 to serve 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 and re-assigned them to other areas of the Department.

To replace the WWCs, Tourism in 2009 coordinated with chambers of commerce and convention and visitors bureaus (CVBs) throughout the state to establish locally administered regional 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. These one-time transitional grants are listed in Appendix 2.

Beginning in 2010-11, 2009 Act 28 appropriates \$160,000 tribal gaming PR annually for a competitive grant program to support locally based tourism promotion organizations. This is now known as the Tourism 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 provided \$80,000 tribal gaming PR in the first round of grants in July, 2010. These recipients are also listed in Appendix 2. A second grant round is expected to take place in January, 2011, and Tourism reports it will customarily offer grants on that same semiannual basis in the future.

Both the one-time transitional funding and the TIC grants are available to cover structural expenses, including: (a) publication displays; (b) construction costs associated with expansions for the

promotional operations; (c) signage; (d) postage and shipping of publications; and (e) electronic displays. The primary difference in eligible expenditures between the grants is staffing costs, which the one-time funding did not allow but the TIC grant program does. Also, TIC grants may be for up to 50% of the grantee's eligible costs; the one-time funding did not require a recipient match. 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.

In addition to the TIC grant program, several entities that received one-time transitional funding formed a consortium known as the Gateway Visitor Information Centers (GVICs). The consortium includes the City of Marinette and chambers of commerce or CVBs of Beloit, Hudson, Hurley, Kenosha, La Crosse, Onalaska, Platteville, Prairie du Chien and Superior. By 2011, the entities in Kenosha, La Crosse and Marinette will have begun operations in the former WWC locations of those cities, while the other seven will operate from their organization's own offices. Each organization has agreed to distribute for free publications that are produced or distributed by Tourism. The consortium has established a fee-based system for accepting and distributing brochures from other businesses or nonprofit groups. This system is intended to offset some of these organizations' costs in assuming the informational role previously carried out by the WWCs.

It should be noted that Tourism has worked with the GVIC consortium to facilitate some organizations' entries to former WWC locations. The Department has also facilitated communications among the group, publicized the group on the travelwisconsin.com Web site, and some GVIC organizations have received TIC grants. The fee system for brochure distribution, however, was created and is administered within the consortium and not by Tourism.

Other Tourism Promotion Activities

Film Promotion. From 1987-88 through 1990-91, \$150,000 to \$165,000 GPR was appropriated each year specifically for film promotion-related activities. After 1991, general program operations monies funded the film office. Beginning in 1995-96, the Department allocated 1.0 GPR position from general program operations to promote Wisconsin as a location for film and television production activities. In 2001-02, Tourism merged the Film Office staff (which had increased to 3.0) into the Bureau of Marketing, removing the office from the Department's organizational structure.

Tourism's film promotion efforts aimed to increase awareness of Wisconsin as a film and production location and to position Wisconsin as a filming location. Tourism staff maintained an information clearinghouse of local Wisconsin crew, equipment and logistical services. Tourism also utilized a Web site, a film promotion hot line, production guides, regular e-mail newsletters, trade shows, publications, newsletters, film company surveys, and sponsorship of movie festivals to promote local talent and promote the state as a movie and production destination.

Funding for the film promotion office and staff was eliminated as part of 2005 Act 25. The reduction consisted of \$125,800 GPR annually and 2.0 positions. With the closure of the film office, and the elimination of staff specifically devoted to film promotion, Tourism has ceased most of the above film promotion efforts. However, the Department's Communications Bureau still assists persons looking for information about producing films, television and commercials in Wisconsin by sharing site location information and referring interested parties to Film Wisconsin, a private group that formed in response to the closure of Tourism's film office in order to assist the film industry in Wisconsin.

Although not administered by Tourism, provisions of 2005 Wisconsin Act 483 created both a film

production services tax credit and a film production investment tax credit under the state individual and corporate income and franchise taxes, for tax years beginning after December 31, 2007. This credit was modified under 2009 Act 28. A more detailed description of the film production credits is provided in the Legislative Fiscal Bureau's informational paper entitled, "Corporate Income/Franchise Tax."

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 December, 2010, Travel Green Wisconsin included 263 participants throughout the state. As a benefit of certification, participants may use the Travel Green Wisconsin logo in their promotional and marketing materials. Tourism also lists participants on the Travel Green Wisconsin program Web site.

Travel Green Wisconsin certification has been administered by the Wisconsin Environmental Initiative (WEI), a Madison-based non-profit organization. WEI has managed businesses' applications and initial certification. Participating businesses pay an annual certification fee determined by the number of full-time equivalent employees at the business. Fees range from \$75 for firms with 1 to 2 FTE to \$950 for firms with more than 50 FTE. The fee was intended to cover administrative and marketing costs, but it should be noted the WEI received all funding from this fee. Additionally, the Department has paid WEI \$2,000 per month for administrative duties. Tourism's expenditures in 2009-10 were \$14,000, which reflect a temporary suspension of the program and administrative fee while the Department conducted an internal evaluation of how well the program was serving industry participants.

Tourism and WEI both investigate complaints from consumers, who are the primary monitors of participating businesses. WEI offers compliance

assistance to organizations found to be deficient in meeting their environmental commitments. Businesses consistently failing to meet commitments are subject to decertification.

As of December, 2010, the administrative contract for Travel Green Wisconsin is open for bid, with the vendor expected to assume responsibilities in early 2011. Tourism reports the administrative fee will remain the same; however, the Department will begin receiving these revenues, and will use the fees to pay for the administrative contract.

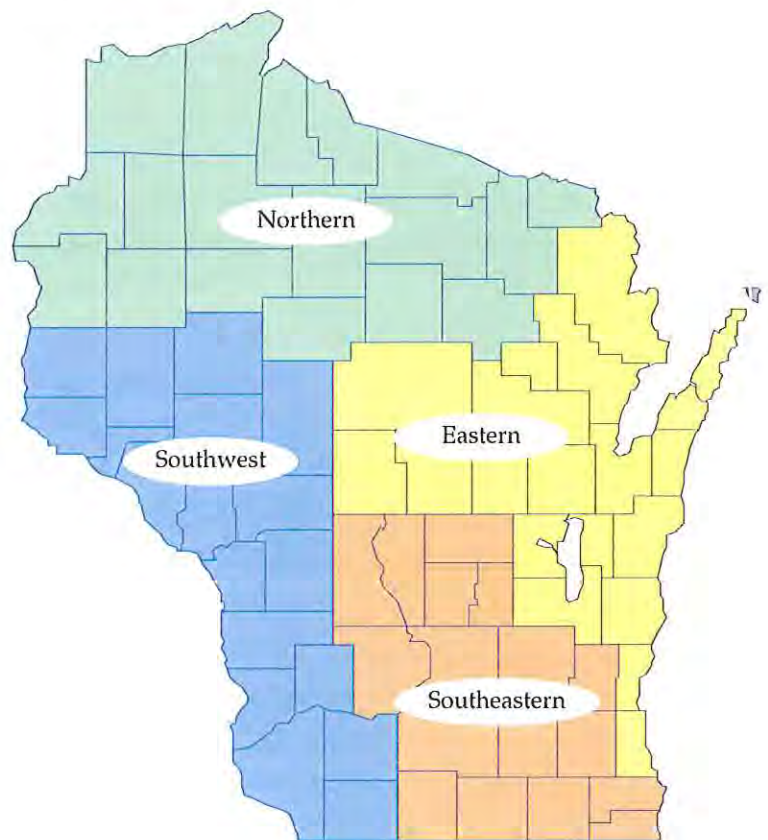
Heritage Tourism. The Heritage Tourism program was authorized in 1989 to permit Tourism to participate in a three-year pilot program offered by the National Trust for Historic Preservation. The program was designed to increase visits to sites of historic or cultural value as well as preserve these areas. The program was extended until its deletion under 2001 Act 109. Between 1989 and 2001, 12 heritage tourism sites were named. Heritage tourism areas may continue to seek funding through Tourism JEM grants. The Department also reports it works with the Wisconsin Historical Society to promote travel to historic sites throughout the state.

Tourism Development Consultants. The Department of Tourism has four economic development consultants located in regions throughout the state to assist local areas in growing their tourism economies. The consultants generally inventory an area's tourism resources, evaluate the marketing potential of the area and ultimately create a development strategy that local officials and businesses can implement. The consultants also: (a) inform local organizations of other resources available through the Department's grant, marketing and advertising programs; (b) assistance available from private sources or other state and federal agencies; and (c) assist businesses in finding resources that may be needed for expansions.

The consultants work from Mercer (North), Hazel Green (Southwest), Genoa City (Southeast) and Greenville (East). Figure 1 illustrates the areas of the state covered by each tourism development consultant.

Wisconsin Brand Manager. Tourism reallocated a position in 2008-09 to manage a Wisconsin branding initiative. This position follows the formation of a brand platform, which was drafted by a committee of brand experts convened by the Department beginning in 2007. The platform created by the committee generally emphasizes originality in Wisconsin. Among other responsibilities, the brand manager will: (a) integrate and manage the brand across economic sectors; and (b) assist other state agencies, partners and organizations with incorporating the brand platform in their communications.

Figure 1: Program Areas for Tourism Economic Development Consultants



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.

Other Departmental Responsibilities

In 1996, the Department of Tourism was given responsibilities for certain state parks promotion as well as program responsibilities related to the Kickapoo Valley Reserve and other state boards.

State Park and Natural Resources Promotions. In 1996, 19.5 DNR positions (18.5 GPR and 1.0 SEG) were transferred to Tourism. The transfer included three positions to conduct state parks-related promotion and activities. The staff also provides administrative support to Tourism. The SEG position was eliminated as part of the 2005-07 biennial budget act. However, \$12,100 annually for supplies and services remains in this appropriation, funded from the parks account of the conservation fund.

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 in approximately 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) appro-

priations to Tourism support administrative functions for the Kickapoo Reserve Management Board. The Board is responsible for: (a) managing the land in the Kickapoo River valley to preserve and enhance its unique environmental, cultural and scenic features; (b) providing facilities for the use and enjoyment of visitors to the Reserve; and (c) promoting the Reserve as a destination for vacationing and recreation. The Department of Tourism is responsible for determining the boundaries of the Reserve and providing personnel, payroll, budget, fiscal and accounting services to the Board.

The Board is appropriated \$819,400 SEG and 3.0 positions in 2010-11 from the forestry account of the conservation fund. In addition, the Board is authorized expenditures of \$159,300 PR and 1.0 education coordinator from revenues generated by the Reserve, which the Board uses primarily for maintenance and park improvement expenditures and other recreational and educational programming for the public and area schools. Sources of this program revenue include use and camping fees, event and permit fees, agricultural lease revenue, timber harvest revenue and other miscellaneous revenues. Further, the Board is appropriated \$30,300 from tribal gaming revenues for law enforcement services.

Of the forestry SEG budgeted for 2010-11, 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 in 2009-10 were \$337,000, and the 2010-11 payment due in January, 2011, is expected to be approximately \$347,000.

Attached Boards. The Arts Board, Lower Wisconsin State Riverway Board, and State Fair Park Board are attached to the Department of Tourism for administrative purposes.

APPENDIX 1

Joint Effort Marketing Program (2009-10 Awards)

Counties	Type	Event	Grant Amount
Bayfield	Destination – Year 1	Bayfield Area Destination Marketing	\$29,711
Bayfield	New Event – Year 2	CAMBA Festival of Trails	4,777
Bayfield	New Event – Year 1	Port Wing Plein Air Painting	1,950
Bayfield, Brown, Buffalo, Chippewa, Clark, Door, Grant, Green, Iowa, Jefferson, Juneau, Kewaunee, Oconto, Oneida, Outagamie, Ozaukee, Pepin, Polk, Racine, Sauk, Sawyer, Trempealeau, Vernon, Walworth and Waukesha	Destination – Year 2	Wisconsin Wineries	39,550
Brown	One-Time/One-of-a-Kind	LZ Lambeau	28,250
Brown	Existing Event – Year 1	DePere Fall Festival	12,000
Buffalo, Grant, Iowa, Monroe, Price, Sauk, Sheboygan and Wood	Destination – Year 2	Wandering Wisconsin Art Environments	17,616
Dane	Destination – Year 1	Madison Sports Marketing	39,000
Dane	One-Time/One-of-a-Kind	Madison Children's Museum Opening	22,300
Dane	New Event – Year 2	MMoCA Design	20,681
Dane	New Event – Year 3	Madison Ballet Holiday Market	15,000
Door	New Event – Year 3	Groovin' Sisterhood	3,364
Eau Claire	Existing Event – Year 1	Eau Claire Jazz Festival	27,993
Eau Claire	Existing Event – Year 1	Chippewa Valley Book Festival	4,000
Eau Claire and Dunn	Destination – Year 1	Eau Claire Area Mobile Campaign	39,550
Fond du Lac	Existing Event – Year 1	Fond du Lac Historical Society Festival	5,000
Green Lake	Existing Event – Year 2	Green Lake Festival of Music	3,302
Iowa	New Event – Year 2	APT Chicago Open House	17,390
Kenosha	New Event – Year 2	Civil War Museum Flag Day	38,100
Kenosha	Destination – Year 1	Kenosha Area Development Option	25,000
Kenosha	Existing Event – Year 1	Taste of Wisconsin	17,637
Kewaunee	Destination – Year 1	Kewaunee County Marketing	38,409
La Crosse	Existing Event – Year 1	La Crosse Oktoberfest	12,000
La Crosse	Destination – Year 3	Meetings on the Mississippi	10,290
Marathon	New Event – Year 1	Wausau Hockey	22,170

APPENDIX 1 (continued)

Joint Effort Marketing Program (2009-10 Awards)

Counties	Type	Event	Grant Amount
Milwaukee	New Event – Year 1	Harley-Davidson Museum Special Exhibits	\$33,000
Milwaukee	New Event – Year 3	Milwaukee Film Festival	33,000
Milwaukee	One-Time/One-of-a-Kind	Florentine Opera's Rio de Sangre	21,000
Milwaukee	Existing Event – Year 1	Milwaukee Air & Water Show	20,550
Milwaukee	New Event – Year 2	MLK Street Jam	10,000
Outagamie	New Event – Year 3	Fox Cities Book Festival	24,625
Outagamie	Sales Promotion – Year 1	Fox Cities Fun's On Us	14,831
Price, Oneida and Vilas	Destination – Year 3	Northwoods Art Tour	11,500
Racine	Destination – Year 1	Racine County Campaign	39,550
Rock	Sales Promotion – Year 2	Janesville Sales Promotion	13,000
Sauk	New Event – Year 2	Reedsburg Hops & Curds Festival	27,700
Sawyer	Existing Event – Year 1	Hayward 300 National Snocross	36,500
Sheboygan	New Event – Year 1	Elkhart Lake Marathon	27,148
Sheboygan	New Event – Year 1	Sheboygan Shindig	10,000
St. Croix	New Event – Year 1	New Richmond Indoor Marathon	18,700
Vilas	New Event – Year 2	Eagle River Festival of Flavors	39,500
Walworth	New Event – Year 1	Eco Fair 360	39,549
Walworth	Destination – Year 1	Walworth County Development Option	38,000
Washburn	Existing Event – Year 1	Shell Lake Music Workshops	5,000
Washington	New Event – Year 3	West Bend Cache Bash	10,750
Winnebago	Destination – Year 1	Winnebago County Fall Campaign	39,550
Winnebago	New Event – Year 3	Paine Nutcracker Castle	36,220
Winnebago	Existing Event – Year 1	Neenah StreetBall	31,982
Winnebago	Existing Event – Year 1	Oshkosh Grass Volleyball	18,900
Wood	New Event – Year 1	Betty Boop Festival	39,500
Wood	New Event – Year 1	Marshfield National Trappers Show	<u>6,050</u>
		Total	\$1,141,145

APPENDIX 2

Tourist Information Center Grant Awards in the 2009-11 Biennium

Organization	Site/City	One-Time Transitional Funding	2010-11 Competitive Grant Funding	2009-11 Total
Beloit Convention and Visitors Bureau	Beloit	\$24,702	\$3,641	\$28,343
Door County Visitor Bureau	Sturgeon Bay	---	12,708	12,708
Florence Wild Rivers Interpretive Center	Florence	---	1,452	1,452
Janesville Area Convention and Visitors Bureau	Janesville	298	413	711
Hudson Area Chamber of Commerce	Hudson	25,000	---	25,000
Hurley Area Chamber of Commerce	Hurley	15,000	---	15,000
Kenosha Area Convention and Visitors Bureau	Kenosha	25,000	9,536	34,536
La Crosse Area Convention and Visitors Bureau	La Crosse	18,399	3,377	21,776
Manitowoc Area Visitor and Convention Bureau	Manitowoc	---	8,606	8,606
City of Marinette	Marinette	15,000	837	15,837
Northern Great Lakes Visitor Center	Ashland	---	15,000	15,000
Onalaska Tourism Commission	Onalaska	6,601	---	6,601
Platteville Area Chamber of Commerce	Platteville	15,000	---	15,000
Polk County Information Center	St. Croix Falls	---	7,355	7,355
Prairie du Chien Area Chamber of Commerce	Prairie du Chien	---	2,637	2,637
Sparta Area Chamber of Commerce	Sparta	---	3,510	3,510
Stevens Point Area Convention and Visitors Bureau	Stevens Point	---	2,178	2,178
Superior-Douglas County Chamber of Commerce	Superior	15,000	7,744	22,744
Wausau/Central Wisconsin Convention and Visitors Bureau	Wausau	<u>---</u>	<u>1,006</u>	<u>1,006</u>
Total		\$160,000	\$80,000*	\$240,000

* Another \$80,000 is expected to be awarded in January, 2011.