

Approved: March 13, 1997
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND TOURISM

The meeting was called to order by Chairman Ben Vidricksen at 9:05 a.m. on February 3, 1997 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian Holeman, Committee Secretary

Conferees appearing before the committee: Terry Maples
Norine Kruse

Others attending: See attached list

INTRODUCTION OF BILLS

Terry Maples, Kansas Highway Patrol requested the introduction of two bills: (1) relating to refusal to take a preliminary breath test; and (2) purchase of side arms by retirees or by immediate family members of those killed in line of duty. Senator Goodwin moved to introduce both bills. Senator Jordan seconded the motion. Motion carried.

TOURISM - KS DEPARTMENT OF COMMERCE & HOUSING

Norine Kruse, Tourism Director, Kansas Department of Commerce & Housing introduced the staff who manage the major program areas in the Tourism Division and presented an overview of tourism promotions in the State of Kansas (Attachment 1). In discussing her Department Ms. Kruse highlighted development of a "Simply Wonderful" radio commercial, the magazine *KANSAS!* and the "Planner" to assist in organizing motorcoach trips to Kansas. Ms. Kruse also provided information on the state's Attraction Development Grants and concluded with the fact that travel & tourism is a \$2.6 billion business in Kansas, employing 41,500 people.

Members discussed competition with neighboring states, future role of the state travel office and funding needs for the future. Ms. Kruse advised that the biggest competitors are Texas, Missouri, Colorado, and Oklahoma. All these states put far more money than Kansas does into their travel programs (Attachment 2). She believes tourism needs to be marketed on a statewide basis. When people are unfamiliar with an area, it is easier to talk about a larger area at one time, therefore the entire state should be promoted as a destination. It would be difficult for convention and visitors bureaus to take over that role to create a statewide image for the state. Development of great new wonderful attractions needs to be balanced with promotion to get a lot of people to come to the state. It was pointed out that many rural and small urban communities in the state have a hard time finding funds to develop tourism in their communities and Ms. Kruse advised that they do not have a good way to help communities develop their potential. Strategic Planning and Action Grants have been very helpful but unfortunately they are being phased out.

Chairman Vidricksen announced an upcoming presentation within the next month on the Land of Oz in the Supreme Court. Plan to have three presentation so that not only committees but other legislators and the public can learn about this project. Definite dates and times will be announced as soon as arrangements can be made.

The meeting adjourned at 10:00 a.m.

The next meeting is scheduled for February 4, 1997.

SENATE TRANSPORTATION AND TOURISM
COMMITTEE GUEST LIST

DATE: FEBRUARY 3, 1997

NAME	REPRESENTING
Mary Lou McPail	KDOCH
Claudia Larkin	KDOCH
Melissa Windsor	KDOCH
Nordine Kruse	KDOCH
Ferry MAPLE	KHP
Mary E. TURKINGTON	Ks. Motor Carriers Assn.

TESTIMONY TO THE SENATE TRANSPORTATION & TOURISM COMMITTEE
THE KANSAS DEPARTMENT OF COMMERCE & HOUSING
NORINE KRUSE, TOURISM DIRECTOR
FEBRUARY 3, 1997

Mister Chairperson and members of the Committee, I am here today to provide to you an overview of the tourism promotion, programs and services at the Kansas Department of Commerce & Housing. I would also like to discuss how Kansas ranks nationally regarding tourism, and hopefully help you see that, despite recent press to the contrary, we are doing very well with travel and tourism in Kansas.

First, I would like to start by introducing the staff who manage the major program areas for the Tourism Division. **Claudia Larkin** is the manager of our Leisure Marketing area and handles our tourism advertising campaign, including the publication of our annual Travel Guide. **Melissa Windsor** is the Travel Trade Manager and is in charge of our promotions with travel journalists and group tour operators. **Mary Lou McPhail** is our Administrative Manager and is in charge of our Division's fiscal management, the matching grant programs and the Travel Information Centers. **Vicky Henley** manages the film services area, where the Film Commission promotes Kansas as a film location site.

I. Introduction

Last fall a book entitled, *Vacation Places Rated*, by Dr. Stanley Plog was released. A promotional press release for sales of the book indicated, "while Dorothy tried all through the Oz movie to get back to Kansas, it appears no one else wants to." This was based on the fact that when asked what their favorite vacation destination was, most travelers selected for this study, chose other states before Kansas. The press reports inferred that respondents actually ranked Kansas on the bottom. This was not the case, they simply selected other states as their favorites.

A better measure of how travel and tourism is faring in Kansas, is to compare actual travel and tourism expenditures by travelers. When one looks at all 50 states, plus Washington, D.C., Kansas ranks 38th, with annual expenditures exceeding \$2.6 billion. More than 41,500 people in Kansas hold jobs related to travel and tourism. (Source: U.S. Travel Data Center, *Economic Impact of Tourism on State Economies*, 1994)

II. KDOC&H and its Tourism Program

The Tourism Division promotes Kansas as a **tourism destination** through six programs, as a **film location site** in another program, and also promotes the **development of tourism attractions** through a matching grant program.

A. The largest program within the Division is the tourism leisure advertising campaign. Within the last year we developed the "Kansas, Simply Wonderful" tourism slogan and developed two color print ads with that theme. We advertise in regional magazines, all of whom indicate a high percentage of their readership takes vacation trips. Last year, with the

175th anniversary of the Santa Fe Trail, we also developed a cooperative advertising campaign with the other Santa Fe Trail states. We received 179,000 responses to our entire advertising campaign, which was 79 percent more than last year and 46 percent more than ever before.

This year we are also developing a "Simply Wonderful" radio commercial which you will start hearing soon. With the additional \$100,000 Governor Graves has recommended for tourism promotion in FY98, we plan to pursue television advertising as well.

Those interested respond to our ads by calling an 800 number, or sending in a postcard to request additional information on vacationing in Kansas. Our 800-line is answered by the inmates at the Topeka Correctional facility. We interview and train the women to be friendly, helpful representatives for the state of Kansas. This endeavor is saving money and training the women for any telemarketing job after they are released.

We provide a travel packet to all who respond to our advertising campaign. This packet consists of the 1997 Travel and Event Guide and the current state map. We've distributed both of these items with the testimony. We worked with the Department of Transportation on the design of the map so that it would complement our Travel Guide and carry the "Simply Wonderful" slogan. This Travel Guide is the most extensive that we have done, with 32 more pages than last year. We have received a number of letters complementing us on the travel guide. One from Pottstown, Pennsylvania, said:

"To Kansas State, I received your lovely 1996 Travel Guide. I want to heartily thank you on a job well done, for putting together such a nice book. It's very explicit and a pleasure to follow. ... Your (Travel Guide) this year is the best I've seen and I did enjoy it. Thank you again."

Over the last five years, approximately one-third of those requesting travel information actually traveled to Kansas. In the last year, they spent more than \$16 million during their travels in Kansas.

B. We also publish a *KANSAS! Magazine*, a quarterly publication funded completely by the subscription fees of close to 55,000 subscribers (60 percent Kansans and 40 percent from out-of-state). Fifty-seven percent of these subscribers report traveling within the last year to a location they read about in the magazine. This year we will be surveying the featured businesses or locations to determine what impact the story had on their enterprise. We include a complementary *KANSAS!* calendar with the \$15 subscription. (This year we also listed events around Kansas on this calendar.)

C. In our travel trade area, we work with the intermediary businesses involved in tourism, travel journalists, and group tour operators. We track, through a clipping service, articles that have been published relating to tourism. If we had paid for all the space taken up with the articles it would have cost us over \$750,000 last year. This is a great augmentation of our budget, and a great way to develop interest in Kansas.

Each year we put together a press kit that contains several story ideas, with accompanying photographs, as a means to promote more travel articles on Kansas. Melissa

has been visiting newspapers and radio and television stations to deliver the kit and find out how we can help them with travel features. We are also targeting the members of the Midwest Travel Writers Association for sales efforts this year. They will be holding their annual conference in Kansas City in April, and we will be offering free familiarization tours of Kansas.

D. In the group tour area, we have published a helpful Planner to assist operators in organizing motorcoach trips to Kansas. We attend trade shows where they congregate, to sell them on the idea of considering a stop in Kansas. This year, in conjunction with the five states of America's Heartland, we will also have a group tour operator show in the Kansas City area, and will again be offering free familiarization tours.

E. We operate four interstate Travel Information Centers, providing travel information to visitors entering Kansas. Each year we assist over 450,000 travelers through this service, distributing the Kansas Travel and Event Guide, as well as over 500 different brochures from Kansas communities. Through surveys of these visitors, we have determined that 80 percent receive some kind of information at these Centers which influence their trip, 46 percent visit an area not originally planned, and 40 percent spend more time traveling in Kansas. These travelers spent \$41 million on their Kansas trip, \$2.6 million extra because of their stop at an Information Center.

F. We also provide a marketing matching grant to assist communities and attractions in promoting themselves. This encourages them to pursue marketing efforts they have not tried before, and in ways that were impossible without this assistance.

G. The Division also promotes Kansas as a film location site. Kansas is very attractive to many producers used to working in the California area because Kansas is a "right-to-work" state, very economical, and has a lot less "red tape" when securing film locations. The Film Commission assists any film production looking for a location to film, from scouting sites to assisting on location.

They also attend a number of trade shows to establish relationships with potential film producers and sell them on the idea of considering Kansas as a film location. At a recent meeting of the Association of Film Commissioners International Kansas was awarded first place for our Film Production Guide, listing Kansas resources and crew available to film productions. First place was also received at the same show for our black and white advertising series. The ads read "One look at our locations and you'll get the feeling you're not in Kansas anymore", with photographs of unexpected locations in Kansas.

Film productions bring in an average of \$5 million in direct expenditures each year. Last year, for the first time, we had a major studio, Warner Bros., use Kansas as a film site for Tim Burton's new movie, "Mars Attacks." They spent three weeks in Kansas and turned the little town of Burns, just north of El Dorado, into "Perkinsville" in the movie. It was a great boon for the small town, but Burns also provided the movie production a very flexible location to stage their explosion of a donut shop, among other things. The Flint Hills area was also used to film a soon-to be released movie, entitled "Stolen Women," a true story from Custer's journals.

H. In addition to the above promotional programs, the Division also provides financial assistance, up to 40 percent, to build a new attraction, or to enhance an existing attraction. We have been spending \$340,000 annually in this program. Governor Graves has recommended an additional \$100,000 for this program in FY98. A total of \$1,907,796 has been awarded since the program began, which has leveraged a total of \$21,885,800 in funds from attractions.

A total of 66 projects have received an Attraction Development Grant in every part of the state. This program has assisted the Cosmosphere in Hutchinson with their new SR71 Blackbird exhibit, the Columbian Theater in Wamego, the new Carnival Museum in Kinsley, a new drug store at Ward Meade in Topeka, a new trolley in Dodge City, and the new Sternberg Museum in Hays, among many others.

III. Conclusion

Travel and tourism is a \$2.6 billion business in Kansas, employing over 41,500 people. KDOC&H's tourism promotion program is reaching more people than ever before. It needs to continue its assertive promotion and development programs to continue its mission of increasing tourism and film expenditures throughout the state.

1995-96 Survey of State Travel Offices

Prepared by the
U.S. Travel Data Center
Travel Industry Association of America
Washington, DC

1995-96 SURVEY OF STATE TRAVEL OFFICES:
FOUR HUNDRED SEVENTY-FIVE DOLLARS
DECEMBER 1995
ISSN: 0361-8370

The U.S. Travel Data Center is the Research Department of the Travel Industry
Association of America

SENATE TRANSPORTATION & TOURISM
2/3/97
ATTACHMENT #2

2-1

TABLE F: 1995-96 PROJECTED DOMESTIC ADVERTISING BUDGET BY RANK

1	TX	\$9,000,000	26	SD	1,420,685
2	IL	7,100,000	27	RI	1,398,200
3	NY	6,923,000	28	UT	1,370,000
4	LA	5,062,000	29	MN	1,333,455
5	AR	5,037,104	30	WY	1,296,452
6	WI	4,818,211	31	NV	1,209,000
7	VA	4,530,172	32	OH	985,500
8	FL	4,421,985	33	VT	972,631
9	SC	4,400,000	34	NM	860,000
10	MO	4,205,500	35	IA	830,000
11	MI	3,591,279	36	ND	750,000
12	MA	3,480,000	37	IN	718,350
13	PA	3,375,000	38	ID	680,000
14	OK	3,041,543	39	NH	640,500
15	MD	2,802,593	40	OR	500,500
16	AK	2,781,155	41	NE	490,000
17	AZ	2,650,000	42	KS	398,000
18	WV	2,604,000	43	WA	384,923
19	CA	2,300,000	44	ME	378,983
20	MT	2,256,734			
21	TN	2,250,000			
22	MS	2,200,000			
23	KY	1,909,200			
24	CT	1,573,141			
25	AL	1,500,000			
		Grand Total			\$110,429,796
		Average			\$2,509,768

Note: States are ranked 1-44 because 6 states did not report a 1995-96 projected advertising budget figure.

As with total budgets, domestic advertising budgets are unevenly distributed over the range. Eighteen states have advertising budgets greater than the average. The sum of the advertising budgets for the top ten states represents 50 percent of the total funds allotted for advertising by the 44 reporting states. Travel offices in 21 states project spending to be between \$1 million and \$4 million, while 13 states budgeted less than one million dollars. Average advertising budgets by Census Region are given in Table G.

The West South Central region posted the largest budget for advertising expenditures at \$22,140,647, followed by the South Atlantic and East North Central regions (\$18,758,750 and \$17,213,340, respectively). On average, the West South Central states allotted \$5,535,162, reflecting an 3.1 percent increase over 1994-95 and the South Atlantic region (with state advertising budgets averaging \$3,751,750) posted a 14.2 percent increase over 1994-95. The other regions showing growth include the Mid-Atlantic, East North Central, West North Central, and Pacific. Regions showing a decrease in advertising expenditures from a year ago include New England, East South Central, and Mountain.