

MINUTES OF THE HOUSE COMMITTEE ON TOURISM.

The meeting was called to order by Chairperson Carol E. Beggs at 3:30 p.m. on January 22, 2001 in Room 522-S of the Capitol.

All members were present except: Jerry Aday - excused
John Ballou - excused
Bill Mason - excused

Committee staff present: Russell Mills, Research
Carol Doel, Secretary

Conferees appearing before the committee: David Wilson of the Kansas Arts Commission

Others attending: See attached list

The meeting was called to order at 3:36 p.m. by Chairman Carol E. Beggs. The minutes of the January 17, 2001 meeting were distributed. A motion was made by Representative Campbell to approve the minutes. It was seconded by Representative Levinson.

Mr. Hank Avila of the Research Department prepared material on Lodging Tax and Rural Tourism (Attachment 1) which was given to each member of the committee for review.

David Wilson of the Kansas Arts Council addressed the committee. Mr. Wilson discussed the cross effects of Arts, Culture and Tourism and the economic impact of The Arts (Attachment 2). He also discussed the ten top reasons that Kansas needs additional Arts funding. At the conclusion of his presentation, Mr. Wilson answered questions which were presented by the committee members.

Chairman Beggs again requested that members submit written ideas for The Tourism Committee.

Jean Barbee of TIAK presented a bill request to the committee regarding legislation which would create a funding plan for The Division of Travel and Tourism Department of Commerce and Housing (Attachment 3). Representative Mason made a motion that the bill be introduced. It was seconded by Representative Campbell.

Chairman Beggs asked for any further discussion. There was none and he entertained a motion for adjournment. Motion for adjournment was made by Representative Levinson and seconded by Representative Campbell.

Meeting adjourned at 4:50 p.m. The next scheduled meeting will be January 24, 2001.



Community Resource and Economic Development

*A base program of the Cooperative Extension
System*

Friday, December 15, 2001 9:00

Rural Tourism

Select one ▼

New Mexico

The Rural Economic Development Through Tourism project (REDTT) completed a statewide tourism resource inventory which can be accessed by computer at New Mexico Visitor Centers; conducted hospitality training for all permanent and temporary employees of the New Mexico State Fair.

North Dakota

Farm and Ranch Recreation

Program Contact: Kathleen Tweeten, ktweeten@ndsuest.nodak.edu

The farm and ranch recreation tourism program is new to North Dakota but has already had significant impact. Three workshops were held in 1999 and early 2000 with over 110 participants. Participants responded in a post workshop evaluation that they knew that they would have future savings on sales tax and contact labor costs as a result of knowledge gained.

Of the 89 workshop participants who returned evaluation forms, one hundred percent gave the overall rating of the program to be useful to very useful with seventy-nine percent stating that it was very useful. When asked if the workshop had assisted the individual in making a decision as to whether or not to start a recreation business, thirty percent or 27 said yes, 29 said no (Twenty-seven had already established a business) and 17 percent or 15 were undecided and 18 did not respond. Businesses being considered are rural bed and breakfasts, cabins for pack trips, hunting lodges and working ranches. Participant quote: "This is a wonderful business this tourism, easy to get fired up. These workshops are definitely helpful and a super learning experience." Eighteen percent or 16 of the respondents in the last workshop indicated that they planned to make changes to their operation based on what they learned.

Ohio

Rural Tourism Program

Program Contact: Steve Richards, richards.137@postbox.acs.ohio-state.edu

House Tourism Committee
January 22, 2001
Attachment 1

A total of 14 counties have been involved in a program with emphasis on rural tourism system development. Nine of those counties have made a commitment to developing their local organization. Three have made significant progress.

One county established a goal to double their hotel / motel tax revenue by the year 2000. In 1990, these tax revenues were just under \$20,000. By 1998, they were in excess of \$160,000. That is an astounding increase of 700%.

Another county formed a local tourism organization between two counties. They now have a full time director and are involved in a regional tourism marketing consortium. A third county created an organization and hired a director. That director was lured away by another instate tourism bureau and has been replaced by a new local underemployed person. One of the first accomplishments by the new director was to host and coordinate a two week national conference and competition with only 70% of sleeping-room accommodation capacity available before initiating and hosting a family hospitality program.

There are seven components of a tourism system plan addressed by this program. Customers and audiences may select any combination of components for their selected needs. Individual enterprises for tourism are also very important. A small business management excel team provides a three day program on the five functions of management. It has been presented to eight audiences, a majority of whom are connected to tourism.

[Home](#) | [Programs of Excellence](#) | [Rural Tourism](#) | [Site Index](#)

January 1998

Vol. 6, No. 4

LODGING TAXES

By Mandy Rafool

Lodging taxes frequently support tourist-related activities.

Before you lay your weary head to rest from your travels be prepared to wake up and pay your taxes. State or local governments in every state impose taxes on short-term accommodations (usually 30 days or less). These taxes have become increasingly popular for policymakers since voter approval is often needed to raise rates or impose new taxes and voters are more likely to endorse taxes that are paid primarily by visitors. In addition, lodging taxes frequently support tourist-related activities such as promotion or special projects such as convention centers or sports facilities. Many cities, including Denver and Washington, D.C., earmark lodging tax revenue for convention centers. Chicago, Houston and Seattle are just three of a growing number of cities that earmark lodging taxes for new sports stadiums.

Lodging taxes have several components. Often, accommodations are subject to the same general sales taxes (both state and local) that apply to most other purchases. Some states also impose specific lodging taxes, either in place of or in addition to the general sales tax. On top of that, many states permit local governments to impose lodging taxes. Together, all these taxes combine into some pretty high rates.

Nineteen states and the District of Columbia levy state-wide taxes on accommodations.

Nineteen states and the District of Columbia levy statewide taxes on accommodations. Forty-three states authorize one or more local governments to levy a lodging tax. Even states that do not permit local government many other taxing options have been more permissive about local taxes on tourists. In Massachusetts, for example, no local governments are allowed to levy sales or income taxes, but they may charge a hotel tax. Some states without state sales taxes, such as Alaska, Montana and Oregon, allow lodging taxes to be levied at the local level. And the seven states that do not permit local governments to impose lodging taxes all impose a state lodging tax. Combined state and local lodging taxes average more than 10 percent, ranging from 4 percent in Bozeman, Mont., to 17 percent in Houston.

Taxing tourists presents an interesting dilemma: on the one hand, many claim these taxes are unfair because those being taxed do not vote locally and have no voice. On the other hand, tourism taxes are a good way to raise revenues for tourism development. The tourism industry has long supported taxes as an important source of money for advertising and promotion, and many states dedicate revenue for this purpose. Arkansas levies a 2 percent tourism tax on lodging, camping, marina rentals and admissions, and the revenues generated by this tax are earmarked for the Department of Parks and Tourism for promotion. In Oklahoma, a 0.1 percent tax on designated tourist activities goes to fund the state's tourism advertising campaign. Many other states have similar programs. However, regardless of where the money goes, some industry experts are concerned that the trend of ever-increasing taxes is likely to have detrimental effects over time. They caution that placing too heavy a tax burden on visitors is likely to make them think twice about coming back.

Contact for More Information

Mandy Rafool
NCSL—Denver
(303) 830-2200
mandy.rafool@ncsl.org

—Chart on back—

Executive Director, William T. Pound

Denver Office: 1560 Broadway
Suite 700
Denver, Colorado 80202
303.830.2200

Washington Office: 444 N. Capitol St., N.W.,
Suite 515
Washington D.C. 20001
202.624.5400

NATIONAL
CONFERENCE
OF STATE
LEGISLATURES

Copyright National Conference
of State Legislatures

Alabama—Mobile

State 4%

Local 6%

Total 10%

Alaska—Anchorage

State none

Local 9%

Total 9%

Arizona—Phoenix

State 5.5%

Local 5.125%

Total 10.625%

Arkansas—Little Rock

State 6.625%

Local 3.5%

Total 10.125%

California—Los Angeles

State none

Local 14%

Total 14%

Colorado—Denver

State 3%

Local 8.8%

Total 11.8%

Connecticut—Hartford

State 12%

Local none

Total 12%

Delaware—Wilmington

State 8%

Local none

Total 8%

Washington, D.C.

Total 13% plus \$1.50/day

Florida—Miami

State 6%

Local 6.5%

Total 12%

Georgia—Atlanta

State 4%

Local 10%

Total 14%

Hawaii—Honolulu

State 10%

Local none

Total 10%

Idaho—Boise

State 7%

Local 4%

Total 11%

Illinois—Chicago

State 6.2%

Local 8.7%

Total 14.9%

Indiana—Indianapolis

State 5%

Local 5%

Total 10%

Iowa—Des Moines

State 5%

Local 7%

Total 12%

Kansas—Wichita

State 4.9%

Local 7%

Total 11.9%

Kentucky—Louisville

State 6%

Local 5%

Total 11%

Louisiana—New Orleans

State 2%

Local 9% plus daily fee

Total 11% plus daily fee

Maine—Portland

State 7%

Local none

Total 7%

Maryland—Baltimore

State 5%

Local 7%

Total 12%

Massachusetts—Boston

State 5.7%

Local 4%

Total 9.7%

Michigan—Detroit

State 6%

Local 8%

Total 14%

Minnesota—Minneapolis

State 6.5%

Local 5.5%

Total 12%

Mississippi—Jackson

State 7%

Local 1%

Total 8%

Missouri—St. Louis

State 4.225%

Local 9.875%

Total 14.1%

Montana—Bozeman

State 4%

Local none

Total 4%

Nebraska—Omaha

State 6%

Local 5%

Total 11%

Nevada—Las Vegas

State none

Local 8%

Total 8%

New Hampshire—Manchester

State 8%

Local none

Total 8%

New Jersey—Atlantic City

State 4%

Local 9%

Total 13%

New Mexico—Santa Fe

State 5%

Local 5.25%

Total 10.25%

New York—New York

State 4%

Local 9.25% plus \$2/day

Total 13.25% plus \$2/day

North Carolina—Charlotte

State 5%

Local 8%

Total 13%

North Dakota—Fargo

State 5%

Local 4%

Total 9%

Ohio—Cleveland

State 5%

Local 9.5%

Total 14.5%

Oklahoma—Tulsa

State 4.6%

Local 8.5%

Total 13.1%

Oregon—Portland

State none

Local 9%

Total 9%

Pennsylvania—Philadelphia

State 6%

Local 7%

Total 13%

Rhode Island—Providence

State 12%

Local none

Total 12%

South Carolina—Charleston

State 7%

Local 1%

Total 8%

South Dakota—Sioux Falls

State 5%

Local 4%

Total 9%

Tennessee—Nashville

State 6%

Local 6.25%

Total 12.25%

Texas—Dallas

State 6%

Local 7%

Total 13%

Utah—Salt Lake City

State 4.75%

Local 5.75%

Total 10.5%

Vermont—Burlington

State 9%

Local 1%

Total 10%

Virginia—Norfolk

State 3.5%

Local 7%

Total 10.5%

Washington—Seattle

State 6.5%

Local 8.7%

Total 15.2%

West Virginia—Charleston

State 6%

Local 3%

Total 9%

Wisconsin—Milwaukee

State 5%

Local 9.6%

Total 14.6%

Wyoming—Cheyenne

State 4%

Local 4%

Total 8%





Arts, Culture and Tourism

Presented by

The Kansas Arts Commission

CULTURAL TOURISM DEFINED

Cultural tourism is based on the mosaic of places, traditions, art forms, celebrations and experiences that portray this nation and its people, reflecting the diversity and character of the United States. Garrison Keillor, in an address to the 1995 White House Conference on Travel & Tourism, best described cultural tourism by saying, "We need to think about cultural tourism because really there is no other kind of tourism. It's what tourism is...People don't come to America for our airports, people don't come to America for our hotels, or the recreation facilities....They come for our culture: high culture, low culture, middle culture, right, left, real or imagined - they come here to see America."

A GROWING SEGMENT OF THE TRAVEL MARKET

Two significant travel trends will dominate the tourism market in the next decade.

- Mass marketing is giving way to one-to-one marketing with travel being tailored to the interests of the individual consumer.
- A growing number of visitors are becoming special interest travelers who rank the arts, heritage and/or other cultural activities as one of the top five reasons for traveling.

The combination of these two trends is being fueled by technology, through the proliferation of online services and tools, making it easier for the traveler to choose destinations and customize their itineraries based on their interests.

THE STATE ARTS AGENCY ROLE

Broadening participation in the arts, increasing opportunities for artists, preserving and promoting our cultural resources and investing in communities' quality of life are among the reasons state arts agencies are key players in supporting and leading cultural tourism initiatives. State arts agencies are developing successful strategies linking the arts and tourism in communities across the country. Successful cultural tourism projects depend on collaboration, assessment, research, marketing and visitor service.

NEW RELATIONSHIPS IN ARTS, CULTURE, AND TOURISM IN KANSAS

Key components of the new relationships between arts & culture and travel in Kansas include:

- There is a growing awareness of the interdependence between the arts and travel/ tourism. Each community has committed to the mutual support of each other rather than scrapping over small pots of state and local funding. The Arts and Tourism are under funded by the state, so working together was logical.
- The Division of Travel/Tourism of KDOCH has made a major effort to unite the travel/tourism industry by the creation of the arts niche in the state's tourism plan. All promotional vehicles will include an arts component. The development of this niche is one of many but was founded with strong arts community support.
- The creation of a mutual forum for cooperation known as the Tourism Arts Alliance, has served to advise and assist the KAC and KDOCH in their respective missions in tourism and the arts, including the development of the arts niche. This is the largest alliance and represents a broad cross section of the art and travel/tourism industry.
- The Kansas Arts Commission and the Division of Travel/Tourism have developed a series of workshops to assist in the development of mutual grants from the field to both agencies as well as the development of travel itineraries for the arts niche. For example, the Lawrence arts Center has received a KDOCH Attraction & Development grant and many CVB's around the state have received KAC Touring grants.
- The KAC has developed a new long-range plan that calls for the strengthening of the relationship between the arts, tourism, and business. The foundation for this began with a growing awareness of economic impact through an economic impact study. (A copy of the KAC Economic Impact study and the Long-Range Plan are attached.)
- The KAC and KDOCH have jointly funded a grant to the Tourism Arts Alliance. This grant will establish the Tourism Arts Alliance (TAA) website as the premier source for online information about arts and entertainment in Kansas. This grant will provide funding

for the website development as well as provide ongoing maintenance and administration of this website. The intent of this website is to highlight events in the areas of arts and entertainment in Kansas, through the following:

- Calendar of event information,
- Online search of website by location, event category and date.
- Event and artist highlights, utilizing online video and audio capabilities.
- Resource listing and links of online travel and tourism opportunities that promote Kansas.
- Promote the Kansas Travel and Tourism website and the usage of Katie, as well as promote Convention and Visitors Bureaus across Kansas to provide additional travel and tourism information.
- Provide valuable information about TAA and it's online advertising opportunities.
- Provide online submittal of artist and event opportunities to TAA members.

It is also the Tourism Arts Alliances intent to develop a database that will provide niche information about arts and events in Kansas, complimenting the Katie database through it focus on the arts and entertainment.

- Finally, The KAC has been active in all Tourism Arts Alliance meetings and is a member of the Travel Industry Association of Kansas (TIAK) and the Executive Director of the KAC sits on the TIAK board.

TOURISM INDUSTRY PROFILE

How big is the tourism industry?

Tourism is America's largest service export:

- International travelers spend \$94 billion in the U.S.
- This spending generates a \$12 billion trade surplus for the U.S.
- U.S. market share has increased in eleven markets: Argentina, France, Hong Kong, Italy, Mexico, Sweden, Switzerland, Taiwan, Venezuela, United Kingdom and Israel.

Tourism is one of America's largest employers:

- Tourism directly employs 7.6 million people.
- Tourism indirectly employs 9.4 million people.
- Total tourism employment is 17 million people.
- Travel related payroll is \$127.8 billion.

Tourism is America's third largest retail sales industry:

- \$541.7 billion in total expenditures
- \$82.6 billion in tax revenue for federal, state and local governments
- American travelers in the U.S. spend \$1.48 billion a day, \$61.6 million an hour and \$1.4 million a minute on travel and tourism

What do travelers do?

The top ten activities of U.S. residents and overseas visitors:

Activities	U.S. (1998)	Overseas (1998)
Shopping	33%	89%
Outdoor Recreation	17%	NA
Historical Places/Museums	15%	33%
Beaches	11%	26%
Cultural Events	10%	20%
National/State Parks	9%	21%
Theme/Amusement Parks	8%	33%
Nightlife/Dancing	8%	NA
Gambling	7%	NA
Sports Events	6%	NA

What are the current trends in tourism?

- Trips are shorter but Americans are taking more of them.
- More than half of all U.S. travel occurs over weekends.

- One in four Americans is using the Internet to make travel plans and reservations.
- Europe continues to be the world's number one travel destination with two-thirds of international arrivals and with an estimated total of 1.6 billion arrivals annually.
- By the year 2020, tourism will be the world's largest industry.

What is the role of the Internet in tourism?

- Fifty-two million travelers used the Internet in 1998 for travel planning.
- Since 1996, Internet use by travelers has increased by 190 percent.
- Internet users booked \$3.2 billion in travel online in 1999 including air travel, hotel rooms, car rentals, and other travel products.
- By the year 2002, the size of the online travel industry will reach nearly \$8.9 billion.
- In 1996, airline tickets accounted for nearly 90 percent of all online travel sales, generating \$243 million in revenue. By the year 2002, the proportion of airline ticket sales is estimated to decrease to 75%, but will generate \$6.5 billion in revenues.
- Non-air revenues, consisting mostly of hotel reservations and car rentals, are projected to grow from \$31 million in 1996 to \$938 million in 2000 and to 2.4 billion by the end of 2002.

27 MILLION U.S. TRAVELERS STAY LONGER BECAUSE OF CULTURE

Partners in Tourism commissioned the Travel Industry Association of America to add a series of questions to its August 1998 National Travel Survey. The purpose was to determine the length of time that travelers extend their trips because of cultural activities or events. This includes those who added time either when they were planning the trip or while on the trip.

Forty-six percent of the 199.8 million U.S. adult travelers (92.4 million) included a cultural, arts, heritage, or historic activity while on a one-way trip of 50 miles or more during the past year. Visiting a historic site such as a historic community or building was the most popular cultural activity among travelers (31 percent), followed by visiting a museum (24 percent), visiting an art gallery (15 percent) and seeing live theater (14 percent).

Of the 92.4 million travelers that included a cultural activity while on a trip during the past year, 29 percent (26.7 million adults) added extra time to their trip because of this cultural activity or event. Of those 26.7 million travelers who added time:

- : * 61 percent added part of one day
- * 30 percent added one night
- * 5 percent added two extra nights
- * 4 percent added three or more extra nights

Travelers who include cultural events on their trips differ from other U.S. travelers in a number of ways. They are more likely to:

- * Have higher household incomes: \$48,000 vs. \$37,000
- * Have completed college: 41 percent vs. 32 percent
- * Have managerial or professional occupations: 31 percent vs. 24 percent
- * Be married: 67 percent vs. 61 percent

They also share similarities to other travelers:

- * Gender profile: 50 percent men, 50 percent women
- * 50 percent have children under age 18 living at home

CULTURAL VISITOR PROFILE

A growing number of visitors are becoming special interest travelers who rank the arts, heritage and/or other cultural activities as one of the top five reasons for traveling. These visitors are known as cultural tourists. The fact sheet that follows profiles these visitors, who are contributing to making tourism one of the world's major industries.

How many cultural tourists are there?

Sixty-five million persons or one-third of all U.S. adults included either a visit to an historic place or cultural event in 1996, according to a survey conducted by the Travel Industry Association of America. Thirty one percent of these visitors included both an historic and cultural activity on their trips. For those who included a visit to a cultural event or festival on their itinerary, 37 percent (12.3 million) said that the cultural event or festival was the primary reason for traveling.

Who is the cultural tourist?

Cultural and heritage travelers

- * Spend more money (\$615 per trip) than the average U.S. traveler (\$425);
- * Stay longer (4.7 nights) than the average U.S. traveler (3.3 nights); and
- * Are more likely to stay at a hotel, motel or bed and breakfast (56 percent) than the average U.S. traveler (42 percent).

Compared to U.S. travelers as a whole, cultural and heritage travelers also

- * Are more likely to fly than drive their own cars;
- * Are more likely to shop while traveling;
- * Are more likely to travel in April and July;
- * Are slightly more educated and affluent;
- * Are more likely to travel outside their region of residence; and
- * Participate in more activities, particularly visits to national and state parks.

Where do cultural and heritage travelers go?

The top ten states by total number of historic/cultural travelers:

1. California
2. New York
3. Pennsylvania
4. Texas
5. Virginia
6. Florida
7. North Carolina
8. Tennessee
9. Illinois
10. Georgia and Ohio (tie)

Thirty one million adults attended a festival while on a trip of a 100 miles or more. One-third of festival travelers (33%) attended an arts or music festival in the past year, making it the most popular type of festival to attend while traveling. Thirty-one percent of overseas visitors go to an historic site; 23 percent to a museum or gallery and 16 percent to a concert, play or musical.

Sources:

Travel Industry Association of America Travel Poll Survey, Tourism Works for America, 2000.

The Profile of Travelers Who Participate in Historic and Cultural Activities, Travel Industry Association of America, 1999.

For more facts and figures, see the following:

New Arts Endowment Survey Indicates Greater Public Participation in the Arts

September 17, 1998

Washington, D.C. -- More Americans are participating in the arts, shows a newly released **National Endowment for the Arts'** survey entitled **1997 Survey of Public Participation in the Arts**. During a 12-month period, half the U. S. adult population, or 97 million people, attended at least one of seven arts activities -- jazz, classical music concerts, opera, musical plays, plays, ballet, or art museums. When compared to a 1992 Endowment arts participation survey, the new information indicates larger audiences for all seven activities, but especially for art museums, musical plays, classical music, and opera. Visiting art museums continues to be the most popular arts activity.

Highlights Include:

1. Participation in the Arts by Attendance:

Overall increase compared to 1992: The *Arts Participation in America in 1997* report indicates higher arts participation rates than a 1992 NEA survey. The new 1997 survey reports that 50% of the U. S. adult population, or 97 million people, participated in the arts, while only 41% of adults reported participating in 1992. Those interviewed said they had attended at least one of seven different arts activities during the last 12 months. Because the 1997 survey was conducted differently than the one in 1992, only limited comparisons can be made.

Museums are the most popular: More people attended museums than other types of arts activities. An estimated 35% of adults, or 68 million people, attended a museum at least once in 12 months. The average number of museum visits was more than three per person, for a total of 225 million visits.

Participation in other arts activities: Musical plays had the second highest participation rate after museums, with 25% of adults attending at least once in 12 months. Non-musical plays followed at 16%, classical music at 16%, dance (other than ballet) at 12%, jazz at 12%, ballet at 6% and opera at 5%.

2. Participation in the Arts through Broadcasts or Recordings:

Watching visual arts is the most popular: Viewing presentations about the visual arts or programs on museum exhibitions on television or video was popular among American adults, with 45% reporting they had watched some broadcast or recorded form of visual arts during a 12-month period.

Other arts activities: Arts participation rates through broadcast or recorded media for other arts disciplines were: 41% for listening to classical music on the radio, 39% for listening to jazz, and 39% for viewing dance on video.

3. **Personal Participation -- Creating or Performing Art:**

Singing in groups is the most popular public arts activity. An estimated 10% of the adult population, over 20 million people, reported singing in a choir, chorus, or other ensemble.

Photography is the most popular *non-public* arts activity. An estimated 17% of the American adult population, approximately 33 million people, participated in the arts by taking photographs for artistic purposes.

Creative writing was also a popular form of personal arts participation with 12% of the adult population, or 24 million people, writing creatively for purposes other than school or work. About 2.3 million said their writing had been published.

Music and Plays: Classical music had an 11% participation rate, with an estimated 22 million people playing classical music. Of these people, 2.5 million performed classical music in public. More than 5 million American adults acted in public performances of non-musical plays, 3.3 million sang in musical plays, and 1.8 million adults performed jazz.

In addition, related arts activities also had high participation rates -- 63% of adults reported that they had read literature (plays, poetry, short stories), and 47% had visited an historic park or an arts or craft fair.

ATTACHMENTS

1. The Kansas Arts Commission long-range Plan
2. The Economic Scope, Impact and Marketing Study of the Kansas Arts Commission, prepared by the University of Kansas.
3. The Kansas Arts Commission FY 2002 Budget Request

THE UNIVERSITY OF KANSAS
Institute for Public Policy and Business Research

**Economic Scope, Impact and Marketing Study of the Kansas Arts
Commission**

Prepared for
The Kansas Arts Commission

By
Robert H. Glass, Assistant Scientist
With
Norman Clifford, Associate Scientist
Brian Harris, Research Associate
Cheri Woolsey, Research Associate

Charles E. Krider
Principle Investigator

Report No. 257, July 28, 1999

Charles E. Krider
Professor, School of Business
Director, Institute for Public Policy and Business Research

Table of Contents

Executive Summary	i
I. Introduction	1
II. The Kansas Arts Commission Economy	3
III. The Economic Impact of the Kansas Arts Commission	11
IV. Case Studies of Arts Commission Grants	17
V. The Household Survey	23
VI. Findings and Conclusions	45
Appendix A	
Kansas Arts Commission Grants Data	A-1
Appendix B	
Alternative Sources of Funding	A-9
Appendix C	
Case Studies	A-13
Appendix D	
The Household Survey Instrument	A-37

Executive Summary

Introduction

This report presents the results of a study done by the Institute for Public Policy and Business Research for the Kansas Arts Commission (KAC). The purpose of the study was to:

- (1) delineate the scope of the Kansas Arts Commission activities within the state,
- (2) measure the additional state product due to the existence of the Kansas Arts commission,
- (3) provide a picture of the degree to which Kansans are involved in arts activities in general and the activities of local arts organizations in particular,
- (4) measure Kansans' willingness to pay for additional arts activities in their local areas, and
- (5) develop useful marketing information for the Kansas Arts Commission.

Four major research tools were employed in the study. First, historical budget data was used for Kansas, surrounding states, and the nation to place the activities of the Kansas Arts Commission in perspective. Second, five case studies of local arts organizations were conducted to understand the range of types of assistance provided to local arts organizations as well as to uncover channels of economic influence of the Kansas Arts Commission's activities. Third, a traditional economic impact study was performed in order to measure the effect of the Arts Commission on current state output. Fourth, a survey of Kansas households was conducted to elicit Kansans' willingness to pay for additional arts activities in their local areas and to develop information that would be useful to the Kansas Arts Commission in marketing its activities.

Findings and Conclusions

1. ***Annually, the KAC influenced economy is about \$20 million, and this economy generates about \$2.1 million in state and local taxes.*** During 1998, the Kansas Arts Commission provided 265 grants to local arts organizations. These grants were generally a small part of the total project cost; for most KAC grants local matching funds provided more than 70 percent of the project cost. Thus, local funding is more than \$18 million of the total \$20 million KAC economy. The KAC economy is spread throughout the state with 67 counties receiving at least one arts grant. The projects supported by KAC grants generated 120 full-time jobs and 965 part-time jobs. In addition, voluntary employment valued at \$1.2 million was contributed to these

projects. KAC supported arts projects generated \$1.35 million in state taxes and \$750,000 in local taxes.

2. ***Kansas' current economic output is \$1 million greater because of the existence of the Kansas Arts Commission.*** The Kansas Arts Commission leverages its state funding by bringing in nearly a half million federal dollars. Even after accounting for the fact that funding for the Kansas Arts Commission activities comes partly from the State of Kansas, this inflow of federal dollars and its indirect effects cause a substantial \$1 million increase in current Kansas output.

3. ***The five case studies indicate that KAC has effectively nurtured the development of successful small arts organizations.*** Members of each of these organizations believe that without the help of the KAC their organization would not have survived, let alone thrived. The basic model that the KAC has created to help new arts organizations has been successful in each of these cases. These local arts organizations pass through two basic early stages in their development: the initial struggle to survive and the establishment of a durable organization. In each of these stages the KAC plays a different role.
 - ❖ During the initial struggle to survive, the KAC provides:
 - A large part of the initial funding for the organization
 - Technical assistance in organizing the original group
 - A stamp of credibility to the organization

 - ❖ As the organization establishes itself as an on-going organization, the KAC provides:
 - A stable source of funding which allows longer-run budgeting
 - Technical assistance in creating a permanent administration
 - Technical assistance in finding additional sources of funding and in writing grants to get the funding

4. ***Without the KAC, arts activities in Kansas would be much different than they are today.*** Specifically, the KAC has nurtured the development of local arts organizations in the non-metropolitan areas of Kansas. In addition, the KAC has helped develop a diversified group of arts organizations that provide a wide variety of arts activities in both the metropolitan and non-metropolitan areas of Kansas.

5. ***The existence of a geographically diverse arts community makes the state as a whole a more attractive place for businesses to locate.*** Local economic development professionals in communities with strong local arts organizations feel that the existence of these local organizations makes the community more attractive to business for four reasons:

- The availability of the organization's activities to management, workers, and their families;
- The effects of the organization's activities on the quality of education in the schools;
- The increased vitality of the community that comes about as a result of the community's pride in having this unique institution;
- As a symbol and evidence of the energy in the community.

The effects of local arts organizations and their activities on local economic development are likely to be particularly strong in non-metropolitan communities.

6. ***State government support for the arts in Kansas ranks low nationally and regionally when compared to other states' support of the arts.*** In fiscal year 1999, the KAC received state funding at the rate of \$0.57 per capita. For the same period, the national average was \$1.16 per capita. Per capita state funding for the arts in Kansas has not kept pace with inflation; in 1999 dollars, per capita state funding has declined nearly ten percent from its 1990 level of \$.63. Kansas ranked fifth among six surrounding states in per capita state funding for the arts, and 39th nationally. For Kansas to have achieved the national average in FY1999, the legislature would have needed to spend about an additional \$1.5 million. Kansas was second among the six surrounding states and 19th nationally in per capita NEA block grant funding.

7. ***Kansans overwhelmingly approve of state government support for the arts.*** More than 87 percent of surveyed Kansas households expressed approval for continued state government support for the arts in Kansas.

8. ***Kansans expressed an aggregate willingness to pay \$19 million for a substantial increase in arts activities in their local areas.*** To determine the value of an increase of arts activities, survey respondents were explicitly asked if they would support a specified state tax increase to substantially enlarge the level of arts activities in their

local areas. Their responses indicated that the total value of increased arts activities to all Kansas households is approximately \$19 million.

9. ***Given the broad support for the arts in Kansas, it makes sense for state support for the arts to be moved toward the national average.*** The household survey indicated that Kansans place a high dollar value on increased arts activities in their local areas. This result suggests that public officials should make an effort to move the level of state financial support for the arts to the national average. Alternative methods of funding should be investigated; the establishment of a cultural trust is one possibility, although the form of the trust and the mechanics of funding should be carefully considered.
10. ***Most Kansans either overestimate or don't know the level of state government support for the Arts.*** Only 27.2 percent of households surveyed correctly stated that state government support for the arts was less than \$1 per capita. Those who correctly specified the current level of state government support for the arts were more likely to support increased state funding for the arts than respondents who overestimated the current level or did not know were. It seems likely that a more accurate knowledge of the current level of state support and a greater awareness of Kansas Arts Commission supported activities would increase the substantial reservoir of support that clearly already exists.
11. ***Participants in arts events or arts education activities were more likely to favor increased state government support for the arts.*** Those who had participated in arts events or arts education activities were almost twice as likely to favor substantial increases in state funding for the arts as were non-participants.
12. ***More than half of the households surveyed had a member that attended an arts event or arts education activity during the past year.*** Those who had attended such an event were likely to have attended such events multiple times during the year.
13. ***Kansans expressed support for additional local arts organizations in their area.*** Nearly 41 percent of Kansans who were aware of a local arts organization expressed a preference for an additional local arts organization in their area, while nearly half of the Kansans who were not aware of a local arts organization in their area expressed a desire to have such a local arts organization.

Kansas Arts Commission Long-Range Plan **2001 through 2006**

Activities of the Kansas Arts Commission

The Kansas Arts Commission was created by the Kansas Legislature in 1966 to support and sustain the development of the arts and cultural resources in Kansas. The enabling legislation provides the agency with significant scope of authority to carry out this core purpose while being inclusive of all cultures, persons of differing abilities, and geographic locations.

The core work of the Kansas Arts Commission (KAC) is to support the creative activities of Kansans through grants, service (including technical assistance), and initiatives involving arts & cultural organizations, artists, and arts industry partners. Thus, the core work typically includes:

a) Providing ongoing grants funding to Arts & Cultural Organizations:

- Operational Support for Arts & Cultural Organizations
- Arts In Education in the Community and for At Risk Youth
- Arts Project Support for Non Arts Organizations
- Grassroots Programs (Serving rural, multicultural, culturally specific and emerging organizations.)
- Kansas Touring Program
- Technical Assistance to Arts & Cultural Organizations

b) Providing ongoing grants funding to individual Kansas Artists:

- Kansas Artist Fellowships
- Mini Fellowships

c) Providing ongoing financial support for Arts Industry Partners through cooperative agreements to increase the KAC's outreach, service capacity and/or effectiveness.

d) Providing staff technical assistance and consultative services for individual artists and Arts & Cultural Organizations.

e) Publishing the Kansas Touring Program Roster and quarterly newsletter as well as maintenance of a full service Internet Web site.

Introduction to the Planning Process

In 1995 the Kansas Arts Commission published a long-range plan that covered the years beginning in 1995 and ending in 1999. Over the last two years, KAC commissioners and staff have pored over data, reviewed many studies, and held discussions leading toward

the development of a new long-range plan. This plan will go into effect in 2001 and last until 2006. Early in the process the Association of Community Arts Agencies of Kansas (ACAANK) became a partner with the Kansas Arts Commission in the development of this long-range plan. In addition, the KAC Executive Director appointed a management team to help guide the planning process, which was composed of the Executive Director of the KAC, Dave Wilson, Commissioner Martha Rhea, Ellen Morgan, Executive Director of ACAANK, and Tom Klocke, Program Consultant on the KAC staff. As a foundation and background for planning, existing collections of data were researched and studied to inform the process. The KAC utilized information contained in the following documents:

- *The Governor's Economic and Demographic Report 1999-2000*, Bill Graves, Governor.
- *The Demographic Future of Kansas: Complexities in the Heartland*.
- *Making the Case for the Arts in Kansas* from the FY 2000 testimony packet.

Preliminary steps in the long-range planning process included commissioning reports and studies to better understand the environment and prepare the agency to execute a multi-year plan, including:

- The History and Development of State Funding for the Arts in Kansas.
- *Cultural Endowment for Kansas Final Report and Recommendations* submitted by Wolf, Keens and Company.
- *Economic Scope, Impact and Marketing Study of Kansas Arts Commission* by The University of Kansas Institute for Public Policy and Business Research.

On September 16, 1999, the Kansas Arts Commission adopted the Policy Governance Process and began the planning cycle through the *Initial Ends Development/Framing Discussion*. As a result of this meeting the Kansas Arts Commission developed a new mission statement: *The KAC Strives to Ensure that the People of Kansas will Value and Celebrate the Arts Throughout Their Lives*. This session also produced six *Priority Draft Results, or Ends*, that the KAC hoped to realize in the near future, including:

- Artists and arts organizations are well supported
- People understand the impact of the arts
- The arts are a core component of lifelong learning
- People have access to and participate in the arts
- Public policy in Kansas is favorable for the arts
- Partnerships and collaborations foster the arts in Kansas.

In December of 1999, a *Visioning Session* was held in Salina. This meeting was open to anyone throughout the state with an interest in future arts development, and it drew an audience of over ninety participants. Using the newly developed KAC mission statement as a springboard, seven issues framing the vision of how the participants would like to see the arts develop in Kansas were identified. These issues included:

- Education: Life Long Learning/Arts Education
- Telling the Story of the Arts in Kansas
- Financial Stability
- Partnerships
- Individual Artists

- Arts Organizations
- Leadership.

In February of 2000, six regional meetings were held in various communities representing the geographic and diverse population of Kansas. Meetings were held in Iola, Overland Park, Wichita, Oakley, Dodge City, and Manhattan. These gatherings drew over two hundred Kansans, who commented on the issues that had been identified during the session in Salina. All this information and testimony was amassed and distilled into a draft of the long-range plan.

In late May, the draft was mailed to over five hundred artists, arts organizations, and art supporters; and they were asked for input. The draft was also posted on the Kansas Arts Commission Web site for comment. A substantial number of individuals and organizational representatives gave input on the draft plan. On May 31, over thirty representatives of arts organizations, individual artists, businesspersons, foundation representatives, KAC commissioners, and staff met in Topeka to review the draft in a daylong session. These comments were then incorporated into the draft long-range plan and the goals were prioritized according to the wishes of the constituents who gave input. On June 22, 2000, the Kansas Arts Commission approved the goals and objectives of the draft plan and the KAC staff began a process of drafting strategies or action steps to complete the plan.

Finally, on August 16, 2000, the KAC convened a review of the Long Range Plan strategies. The review included a mail-out to all KAC grant applicants over the past two years, all past participants in any part of the planning process or meetings, and the posting of the draft plan on the KAC Web site for comment. Also, a focus group of approximately thirty individuals, representing a broad spectrum of the arts community, was convened in Lindsborg to provide additional perspectives on proposed strategies in the draft plan. The final draft plan, including strategies, was presented and approved by the Commission at its September 2000 meeting.

Values and Principles

It is important to note that the underlying guiding principles for the entire long range plan are reflected in an attempt to ensure that Kansas citizens and visitors are aware of the value of the arts, and have equitable access to quality arts programs and services. Realizing that the arts are intertwined in the culture for many people in Kansas, the KAC is committed to inclusion of multi-cultural communities in this plan. In addition, the Kansas Arts Commission is committed to keeping the arts accessible, reflective of the diverse population and geography of the state, and responsive to the needs of the people of Kansas and public arts policy. Indeed, inviting participation, inclusion, and accessibility insures a quality future for the arts in Kansas.

Youth are the future of the arts. The KAC must seek to cultivate their interest and participation in the arts since research shows that the arts have a positive effect on learning and socialization. Further, by providing early familiarity with the arts through

KAC programs, we will see the development of future arts leaders, donors, and participants to carry the legacy of the arts forward.

Finally, the Kansas Arts Commission must carefully nurture stewardship in the arts in order to not only strengthen the financial condition and business practices of the arts, but also enhance and preserve our arts resources for future generations.

The goals, objectives, and suggested strategies that follow are the result of many months work culminating in a process that draws upon the suggestions and needs of the artists, arts and cultural organizations and citizens of Kansas.

Goals, Objectives, and Strategies
2001 through 2006

Goal 1: Increase public awareness of the value and importance of the arts in Kansas.

Objective: Position the arts as a major component of the community fabric.

Objective: Empower local leadership to position the arts as a major component of their community.

Objective: Foster effective collaboration, both public and private, at the local, regional and state level to promote the arts in Kansas.

Strategic Initiative: Create and sustain a multidimensional campaign to tell the story of the arts in Kansas in order to define Kansas as an arts state that celebrates the diversity of culture, persons and places.

Strategies:

- Develop an arts image campaign for Kansas that focuses on the contribution and impact made by individual artists and arts & cultural organizations.
- Build a relationship between the Kansas Arts Commission and mass media: magazines, newspapers, radio, television, and other entities, that will allow the story of Kansas arts to be shared.
- Research and report on the impact of the arts in Kansas and conduct a follow-up economic impact study on the non-profit as well as for-profit arts sectors in our state.

Goal 2: Increase and sustain financial support for Kansas artists and arts & cultural organizations.

Objective: Develop diverse and sustainable sources of financial support for the arts in Kansas that will foster financial independence for artists and arts organizations.

Objective: Foster the development of access to resources that provide information regarding financial management, funding sources, and innovative funding methods.

Strategic Initiative: Ensure that the arts are well supported in Kansas through federal, state, local, and private funding efforts.

Strategies:

- Continue development of an endowment fund that matches state funds with private funds.
- Explore and initiate state legislation for a significant dedicated revenue source as an additional funding source for the arts.
- Explore tax incentive legislation to stimulate private support of the arts.
- Maximize financial resource opportunities for artists and arts organizations through newsletters, workshops and the Internet.
- Develop new and innovative earned and contributed income strategies, through training programs and technical assistance services.
- Work to increase the annual state and federal appropriations to the Kansas Arts Commission and the arts in Kansas.

Goal 3: Integrate the arts with existing businesses, organizations and other community development efforts, including tourism, in Kansas.

Objective: Encourage and advise community organizations to collaborate with artists and arts organizations in using existing economic impact studies and demographic information.

Objective: Collaborate with state agencies and statewide organizations to cooperatively promote artists and arts organizations.

Strategic Initiative: Strengthen the relationship between the arts, tourism, and business.

Strategies:

- Strengthen the partnership between the State Division of Travel/Tourism, the Kansas Arts Commission, and local communities by:
 - Encouraging the arts community to actively participate in the Travel/Tourism Arts Alliance Organization.
 - Encouraging the cooperative production of materials (brochures, maps, etc.) and Internet resources highlighting artists, arts events, arts facilities and public art (i.e. murals).
- Improve public signage leading to arts attractions through partnerships with the Kansas Department of Transportation.
- Facilitate the development of a Kansas arts and business council to provide statewide networking for the business community and the arts.
- Develop business support for artists through workshops, technical assistance and training programs.

Goal 4: Provide Kansans with resources and support for artists and arts experiences that teach and allow opportunities for learning throughout their lives.

Objective: Develop programs for artists and organizations that provide ongoing, high-quality arts experiences for learners of every age and every ability.

Objective: Build an advocacy partnership with the Kansas State Department of Education, artists, community arts organization representatives, educators, and parents to improve arts education policy.

Strategic Initiative: Develop and implement a comprehensive arts education strategy for persons of all ages, cultures, abilities, and locations.

Strategies:

- Encourage state-wide efforts to establish policy that requires the arts in core curriculum for all K-12 students.
- Support community based arts education partnerships that result in arts programs outside of schools that serve youth, parents, artists, and people of all ages, cultures, and abilities.
- Utilize hands-on experiences directed by qualified artists as essential components of both community and curriculum based arts learning programs.
- Support continuing education for artists, educators, administrators, and parents.

Goal 5: Encourage and support the professional development and leadership training of Kansas artists and arts organizations.

Objective: Make professional development and training programs available for artists and administrators.

Objective: Develop community support and cooperation with artists and arts organizations.

Objective: Create a collaborative instrument for the exchange of information and ideas in the areas of leadership development, services, funding, and marketing.

Objective: Assist in providing access to and knowledge of technology, allowing artists and arts organizations to deliver programs and services more efficiently.

Strategic Initiative: Support Kansas artists and arts & cultural organizations with initiatives in professional training, development and communication.

Strategies:

- Create artist and organizational training in the business and stewardship of the arts including promotion, operation of local arts & cultural organizations, fundraising and audience identification and development.
- Initiate an individual artist grant program for professional development and artist projects.
- Support the development of training programs to create and support a community of critics and arts writers in Kansas.
- Create internship programs, both internal and external to the Kansas Arts Commission.
- Provide professional development for Kansas Arts Commission staff.
- Develop a Kansas arts & technology initiative to include:
 - Developing an Internet artist registry and/or extensive on line touring roster including performance and portfolio samples.
 - Developing information technology resources and training programs for artists and arts organizations, including links to federal and private technology resources.
 - Developing grant programs for hardware, software and technical assistance for technology based programs and organizational administration.



Kansas Arts Commission
FY 2002 Budget Request

**There are three basic elements to
The Kansas Arts Commission
Enhanced
FY 2002 Budget Request:**

- Based on a year long strategic planning process, the Kansas Arts Commission requests an increase of \$648,920 for grants and programs that will fund the arts in Kansas on a par with other states and in a manner which will benefit the economy, tourism, children, and the quality of life in Kansas.
- In order to support the new and growing initiatives contained in our plan, and in order to better serve the people of Kansas, The Kansas Arts Commission requests \$26,193 to fund a clerical position and computer in order to handle reception, telephone and clerical duties. Currently, the KAC has no receptionist and no clerical staff and we are finding it increasingly difficult to develop new initiatives while maintaining service and grant programs.
- The Kansas Arts Commission kindly requests that the provisos concerning grant match and hospitality funds, that were added last session, should be retained again this year.

The following pages will detail each of the elements as stated above.

FY 2002 ENHANCED BUDGET REQUEST

(Proposed Enhancements or Increases to Current Budget)

1. Based on a yearlong strategic planning process that involved conversations with over 350 Kansans, the Kansas Arts Commission requests an increase of \$648,920 for grants and programs to properly implement the plan. Accordingly, the five main goals of the plan are addressed below in reference to our budget request:

Goal 1: Increase public awareness of the value and importance of the arts in Kansas.

Strategic Initiative: Create and sustain a multidimensional campaign to tell the story of the arts in Kansas in order to define Kansas as an arts state that celebrates the diversity of culture, persons and places.

FY 2002 BUDGET REQUEST:

- Develop and host, under the auspices of KARG, a statewide conference and showcase on the arts. Matching NEA grant funds currently applied for- \$18,920
- Develop Phase I of Multidimensional campaign- develop marketing plan. -\$30,000 (Consultant fees)
- Follow-Up Economic Impact study for entire arts community- for profit & non-profit- \$ 40,000 (Contracted Service)
- Increase travel & hospitality budget by \$5,000 for outreach to communities around the state and allow for hospitality at "First View" or preview events held in conjunction with individual artists panels.

TOTAL: \$93,920 (EDIF FUNDS)

RATIONAL FOR REQUEST:

- Telling the story of the arts (Goal #1) was the most often mentioned need in the year long planning process that involved over 350 Kansans
- The arts have tremendous impact on our communities. Over 3.6 million people benefited from state funding of the arts and almost \$20 of economic activity is generated from each dollar invested by the state of Kansas.

Goal 2: Increase and sustain financial support for Kansas artists and arts & cultural organizations.

Strategic Initiative: Ensure that the arts are well supported in Kansas through federal, state, local, and private funding efforts.

FY 2002 BUDGET REQUEST:

- Increase grant funding by \$400,000.
- Increase partnership and cooperative agreement funding by \$50,000 to be able to increase training opportunities identified in LRP
- Add funds for technology grants to arts organizations, including hardware, software, and technical assistance and training. - \$50,000

TOTAL: \$500,000

RATIONAL FOR REQUEST:

- Requested grant funds represents an increase of 16 cents per capita change for a total per capita spending of 78 cents if this one change is granted. The national average is \$1.44. Currently, Kansas ranks 46th in arts spending of all states & territories.
- Kansas ranked fifth among six surrounding states in per capita funding of the arts. The higher states are Iowa, Missouri, Nebraska and Oklahoma.
- The NEA received an increase in federal funds for the first time in eight years, which could mean an additional \$40,000 for Kansas IF an equal amount of state funds can be appropriated as match.
- In FY 2000, the Kansas Arts Commission was only able to fund 39.5% of over two million dollars in requests from local arts organizations. In FY 99, the Kansas Arts Commission was able to fund 44.2% of the requests.
- Local arts organizations raise almost \$19 in local cash match for every \$1 granted by the Kansas Arts Commission.
- In a recent economic impact study by KU, 87% of Kansans approved of state support for the arts and Kansans expressed an aggregate willingness to pay 19 million dollars more in increased taxes for a substantial increase in arts activities in their local area.
- The state of Kansas spends 37 cents on the arts for every \$1,000 of general fund dollars appropriated. The national average is 77 cents per \$1,000 appropriated.

Goal 3: Integrate the arts with existing businesses, organizations and other community development efforts, including tourism, in Kansas.

Strategic Initiative: Strengthen the relationship between the arts, tourism, and business.

FY 2002 BUDGET REQUEST:

- Increase grant opportunities for public signage (See Goal #2, above)
- Increase travel & per diem for planning meetings & Commissioners to develop an Arts & Business Council. (See goal #1, above)
- In partnership with TIAK (Travel Industry Association of Kansas) develop an artists showcase of performing artists at TIAK annual meeting.

RATIONAL FOR REQUEST:

- Cultural Tourism, on average, generates an extra day's stay and 50% greater expenditure per visitor to Kansas.
- In FY 99, the state's investment of almost \$1.5 million in the arts generated 2.1 million in state and local tax revenue.
- Half of the population of Kansas participated in an arts event in the past year and over 3.6 million people benefited from KAC grant funded programs with the involvement of almost 25,000 artists.
- Through the creation of the Travel /Tourism Arts alliance and with the establishment of the arts niche in the state's travel/tourism plan, there is ever increasing cooperation between the travel/tourism industry and the arts community.
- The Division of Travel & Tourism in the Kansas Department of Commerce and Housing and the Kansas Arts Commission have been working cooperatively on regional arts & travel/tourism workshops including opportunities for grants from both state agencies.
- As stated in the Spring 1999 Kansas Business Review: " A relatively high percentage (30%) of business leaders see cultural activities in Kansas as a weakness when it comes to attracting new or keeping existing businesses in Kansas. This is of particular concern as business leaders and their families place a high value on cultural activities."
- In 1997 the arts in the Wichita Metropolitan Area supported 2,403 jobs, generated \$41.8 million in wages and \$86.9 million in annual receipts.

Goal 4: Provide Kansans with resources and support for artists and arts experiences that teach and allow opportunities for learning throughout their lives.

Strategic Initiative: Develop and implement a comprehensive arts education strategy for persons of all ages, cultures, abilities, and locations.

FY 2002 BUDGET REQUEST:

- Increase grant funds for Community Arts in Education (AIE) programs and for Youth At-Risk Programs. (See Goal #2)
- Increase opportunities for training and in-service through increased partnership funds. (See Goal #2)
- Tell the story of the arts in education including and the importance and impact of art for all youth and especially youth at-risk. (See Goal #1)

RATIONAL FOR REQUEST:

- The arts should be a central part of every Kansas child's development because the arts provide the opportunity for creativity and self-expression.
- Sustained involvement in the arts correlates with success in other subjects.
- Sustained involvement in the arts develops positive attitudes about community—both generally and also for youth at risk.
- The arts have a measurable impact on students in at risk situations and in urban settings.
- The arts in after-school programs guide disadvantaged youth toward positive behaviors and goals.
- Art experiences enhance “critical thinking” abilities and outcomes.
- As stated in the values and principles section of the KAC long-range plan: “Youth are the future of the arts. The KAC must seek to cultivate their interest and participation in the arts since research shows that the arts have a positive effect on learning and socialization. Further, by providing early familiarity with the arts through KAC programs, the people of Kansas will see the development of future arts leaders, donors, and participants to carry the legacy of the arts forward.”

Some of the above information was distilled, in part, from Champions of Change – The Impact of the Arts on Learning, a study presented by the Arts Education Partnership and The President's Committee on the Arts and Humanities.

Goal 5: Encourage and support the professional development and leadership training of Kansas artists and arts organizations.

Strategic Initiative: Support Kansas artists and arts & cultural organizations with initiatives in professional training, development, and communication.

FY 2002 BUDGET REQUEST:

- Increase partnership funds for training. (See Goal #2)
- Increase funds for technology grants. (See Goal #2)
- Develop and fund KAC internship program at the KAC and in community arts organizations - \$20,000
- Develop and contract for on-line artist registry and touring roster- \$30,000.
- Increase state travel for staff development and conferences- \$5,000.

TOTAL: \$55,000

RATIONAL FOR REQUEST:

- As stated in the values and principles section of the KAC long range plan: “The Kansas Arts Commission must carefully nurture stewardship in the arts in order to not only strengthen the financial condition and business practices of the arts, but also enhance and preserve our arts resources for future generations”.
- As part of the stewardship program for arts organizations and individual artists, numerous workshops and training sessions are planned that will correspond to the needs identified in the long range plan, including: Fundraising, management of arts organizations, in-service programs for artists and teachers involved with youth, using technology and the internet, and how to tell the story of the arts in local communities.
- Use of Technology and the Internet provide an excellent means for broad community access to the KAC, especially given the vast rural areas around the state. As the KAC becomes more internet enabled through its web site (<http://arts.state.ks.us>), and as the KAC looks to more on-line services including on-line report filing and grant application, it is imperative to insure that there is access to technological support for hardware, software, and training.

2. In order to support the new and growing initiatives contained in our plan, and in order to better serve the people of Kansas, The Kansas Arts Commission requests \$26,193 to fund a clerical position and computer in order to handle reception, telephone and clerical duties. Currently, the KAC has no receptionist and no clerical staff. We are finding it increasingly difficult to develop new initiatives while maintaining service and grant programs. If a comparison is made with other similarly budgeted state arts agencies, Nebraska has twelve full time employees, Arkansas has 13, Iowa has 10, and Nevada has 10. The Kansas Arts Commission currently has eight employees and clearly needs an additional staff person to support the goals contained in the new long-range plan.

3. The Kansas Arts Commission kindly requests that the provisos concerning grant match and hospitality funds, that were added last session, should be retained again this year.

FY 2002 ENHANCED BUDGET REQUEST SUMMARY

1. PROGRAM RELATED REQUESTS:

- A. Goal #1- Telling the Story ----- \$93,920*
- B. Goal #2- Insure that the arts are well supported----- - \$500,000
- C. Goal #5- Professional Development & Leadership-----\$55,000

TOTAL PROGRAM REQUESTS: \$648,920**

2. ADMINITRATIVE OR OPERATION RELATED REQUESTS:

- STAFF CLERICAL POSITION -----\$21,293
- COMPUTER EQUIPMENT FOR
REQUESTED CLERICAL POSITION-----\$ 4,900

TOTAL OPERATIONS: \$26,193

TOTAL ENHANCED BUDGET REQUEST: \$675,113**

*** EDIF FUNDS REQUESTED FOR THIS BUDGET LINE**

****INCLUDES \$93,920 IN EDIF FUNDS**



Making the Case for the
Arts in Kansas

*Statistical Data in Support of the Budget Request by
the Kansas Arts Commission*

The FY 2002 KAC Legislative Request

For FY 2002, the Kansas Arts Commission has requested \$675,113 in increased funding. This request is based on the new five year strategic plan after a year long conversation with the people of Kansas that included over 350 people in attendance at meetings around the state, as well as additional letters and e-mails in response to mailings and our web page postings.

What would this increase mean for the arts in Kansas?

- ⇒ **We can begin to create and sustain a multidimensional campaign to tell the story of the arts in Kansas in order to define Kansas as an arts state that celebrates the diversity of cultures, persons, and places.** First steps include the development of a statewide conference and showcase on the arts as well as conduct a follow-up economic impact study and begin to develop a state wide arts marketing plan.
- ⇒ **We can begin to ensure that the arts are well supported through federal & state efforts by increasing KAC grant funding by \$538,920.** This represents an increase of 21 cents per capita for a total per capita state commitment of 84 cents. The national average is \$1.44 and Kansas currently ranks 45th in state arts spending of all states and territories.
- ⇒ **We can strengthen the relationship between the arts, tourism, and business** by stabilizing and strengthening local artists and arts organizations through increased KAC grants. This is important with a growing interdependence of arts and tourism and given the fact that cultural tourism, on average, generates an extra day's stay and 50% greater expenditure per visitor to Kansas.
- ⇒ **We can begin to develop and implement a comprehensive arts education strategy for persons of all ages, cultures, abilities, and locations,** through increased grant funding for Arts in Education grants for Communities and at-risk youth. There is now clear evidence that the arts enhance learning!
- ⇒ **We can begin to support Kansas's artists and arts & cultural organizations with initiatives in professional training, development, and communication** by: 1) Increasing funds for training and internships, 2) Developing an arts & technology grant program, and 3) Enhance internet offerings of the KAC touring roster.

The Kansas Arts Commission

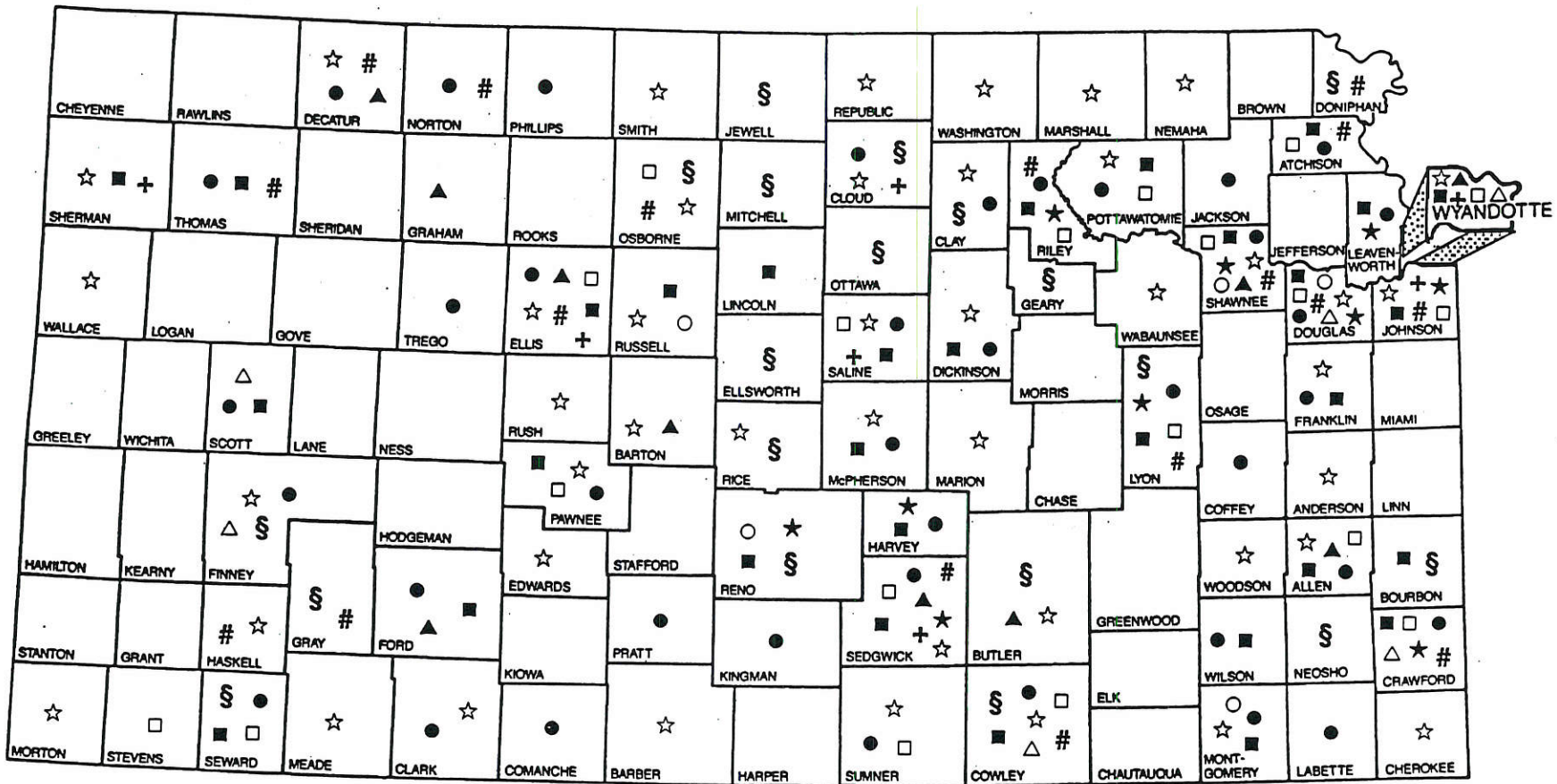
-Celebrating 35 years of helping the people of Kansas value and celebrate the arts throughout their lives

TOP TEN GOOD REASONS WHY THE ARTS NEED MORE STATE FUNDING IN KANSAS -----

1. Half of the population of Kansas participated in an arts event or arts education activity in the past year. Those that did participate were likely to attend multiple events. In fact, in FY 2000, over 3.6 million individuals benefited from Kansas Arts Commission Grants and involved almost 25,000 Kansas artists.
2. In FY 99, the state's investment in the arts of approximately 1.5 million in state general fund dollars has generated 20 million dollars of economic activity.
3. The state investment in the arts has generated 2.1 million in state and local tax revenue.
4. Nationally, Kansas ranks 45th in per capita funding of the arts.
5. Kansas ranked fifth among six surrounding states in per capita funding. The higher states are Iowa, Missouri, Nebraska, & Oklahoma.
6. Kansans overwhelmingly approve (87%) of state support for the arts.
7. Kansans expressed an aggregate willingness to pay 19 million dollars more in increased taxes for a substantial increase in arts activities in their local areas.
8. Local arts organizations raise almost \$19 in local cash match for every \$1 granted by the Kansas Arts Commission.
9. In FY 2000, the Kansas Arts Commission was only able to fund 39.5% of over two million dollars in requests from local arts organizations. In FY 99, the Kansas Arts Commission was able to fund 44.2% of the requests.
10. The state of Kansas spends 37 cents on the arts for every \$1,000 of general fund dollars appropriated. The national average is 77 cents per \$1,000 appropriated.

(The above information was taken from: The Economic Scope, Impact and Marketing Study of the Kansas Arts Commission, by the Institute for Public Policy and Business Research at the University of Kansas; and the Grants Management System at the Kansas Arts Commission.)

Kansas Arts Commission FY2000 Grant & Services Distribution by County



- Arts in Education
- Operational Support
- Kansas Touring Program
- ☆ Grassroots Program
- ★ Artist Fellowship/Mini-Fellowship
- △ Artist Residencies in Underserved Communities
- Arts Project Support
- ▲ Technical Assistance
- + Community Catalyst (M-AAA)
- # Heartland Arts Fund (M-AAA)
- § KRATES

FY 2000 Distribution of Commission Grants & Services

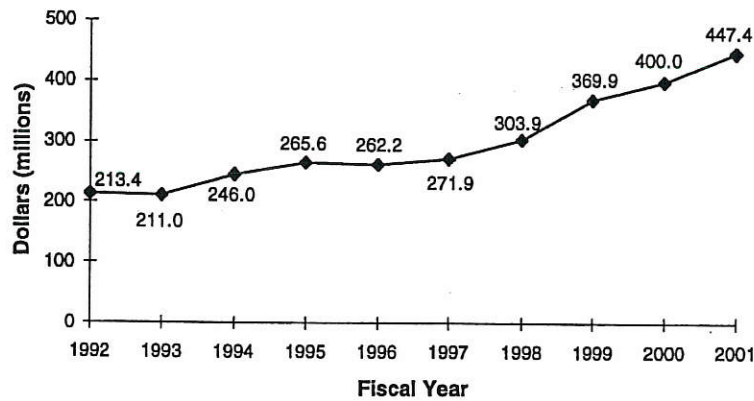


Preliminary Data Fiscal Year 2001 Legislative Appropriations Survey November 2000

Highlights

- In fiscal year 2001, aggregate legislative appropriations to state arts agencies (SAAs) increased by nearly 12% to another record high of \$447.4 million.
- Increases in 34 states drove a net increase of \$47.4 million, with thirteen states reporting budget boosts of more than 15%. However, fewer agencies than in past years received increases. Fifteen states reported appropriation decreases while seven had their budgets remain relatively flat.
- Per capita spending increased by 18 cents to \$1.62 per American. While this average is buoyed by several large states, half of the 56 states and jurisdictions currently have per capita spending of \$1 or more, with four more states less than a dime away.
- Revenue from line items increased significantly for the third consecutive year. In fiscal year 2001, 20 states reported line items totaling \$73.0 million, the highest total to date. Since 1998, line items have increased by nearly 250%, driven largely by line items in several populous states. California, in particular, has accounted for roughly half of the line item totals over the past three years.
- As shown in the chart to the right, SAA support has increased steadily since the early 1990s, with significant growth seen in the past four fiscal years.

SAA Aggregate Legislative Appropriations
Fiscal Years 1992-2001



Reasons for Funding Changes

- Continued economic growth has helped many states sustain appropriations increases since 1996.
- Both the number and amount of line items for projects such as capital improvements for arts facilities continue to rise.
- Some states incurred appropriation decreases because one-time or targeted funding from the previous year's budget surplus was no longer available.
- State arts agencies continue to experience success in making the case for the positive benefits of the arts. Some states have been particularly successful in the areas of arts education, community revitalization and economic development programs.

Preliminary Data
State Arts Agency Legislative Appropriations, Fiscal Year 2001

States and Special Jurisdictions	Legislative Appropriations Including Line Items		Percent Change, FY00 to FY01
	FY 2000	FY 2001	
¹ Alabama	\$ 4,750,875	\$ 6,890,875	45.0%
Alaska	455,800	531,400	16.6%
² American Samoa	40,000	36,500	-8.8%
Arizona	3,716,400	3,898,300	4.9%
Arkansas	1,523,916	1,354,857	-11.1%
³ California	51,042,000	68,063,400	33.3%
Colorado	1,863,183	1,886,452	1.2%
⁴ Connecticut	11,300,560	13,582,642	20.2%
Delaware	1,560,300	1,674,200	7.3%
District of Columbia	1,732,000	1,900,000	9.7%
⁵ Florida	28,146,619	36,920,074	31.2%
Georgia	4,750,591	4,735,331	-0.3%
⁶ Guam	478,866	478,866	0.0%
Hawaii	6,127,405	6,065,960	-1.0%
Idaho	912,800	951,200	4.2%
Illinois	21,952,900	19,806,450	-9.8%
Indiana	3,842,783	3,842,783	0.0%
⁷ Iowa	1,887,985	1,708,406	-9.5%
Kansas	1,662,957	1,643,623	-1.2%
Kentucky	4,070,600	4,113,900	1.1%
Louisiana	5,041,770	4,989,643	-1.0%
⁸ Maine	1,239,557	797,286	-35.7%
Maryland	10,633,340	12,661,525	19.1%
Massachusetts	17,533,646	17,780,458	1.4%
Michigan	21,704,100	25,836,200	19.0%
Minnesota	13,064,000	13,094,000	0.2%
Mississippi	2,230,193	2,898,853	30.0%
⁹ Missouri	11,663,118	11,971,858	2.6%
Montana	273,221	285,930	4.7%
Nebraska	1,461,384	1,454,726	-0.5%
Nevada	1,410,429	1,267,071	-10.2%
New Hampshire	589,776	588,643	-0.2%
New Jersey	19,369,000	22,089,000	14.0%
New Mexico	2,184,800	1,921,000	-12.1%
New York	50,169,000	56,739,000	13.1%
North Carolina	7,504,207	7,856,031	4.7%
North Dakota	390,123	453,262	16.2%
¹⁰ Northern Marianas	272,851	272,851	0.0%
Ohio	16,456,606	16,279,685	-1.1%
Oklahoma	4,083,091	4,235,497	3.7%
Oregon	1,410,415	1,160,415	-17.7%
Pennsylvania	12,000,000	14,000,000	16.7%
Puerto Rico	17,503,000	17,934,000	2.5%
¹¹ Rhode Island	973,776	1,433,277	47.2%
South Carolina	5,208,089	5,408,089	3.8%
South Dakota	481,003	512,485	6.5%
Tennessee	2,288,200	2,306,600	0.8%
Texas	5,284,429	4,739,335	-10.3%
¹² Utah	3,117,700	2,776,300	-11.0%
¹³ Vermont	557,739	835,896	49.9%
Virgin Islands	142,000	167,000	17.6%
Virginia	4,379,749	4,690,174	7.1%
Washington	2,346,748	2,628,293	12.0%
West Virginia	2,145,947	2,342,597	9.2%
Wisconsin	2,687,300	2,562,600	-4.6%
Wyoming	342,115	352,603	3.1%
Total	\$ 399,960,962	\$ 447,407,402	11.9%

Table Footnotes

¹Overall increase due in part to a \$1.54 million boost in line items.

²Fiscal year 2001 figure is estimated from information supplied in June 2000.

³Fiscal year 2001 figures include \$36.2 million in line items. Between fiscal years 2000 and 2001, agency appropriations excluding line items increased from \$19.4 million to \$31.8 million.

⁴Increase includes a new \$6 million in targeted funds.

⁵Increase includes rise in discretionary funds as well as \$1.9 million in line items.

⁶Survey not yet completed - fiscal year 2001 figure recorded is the same as fiscal year 2000.

⁷Although the SAA reported \$471,766 in Percent for Art dollars, those monies have not been included as they do not pass through the state arts agency's budget.

⁸Funding decrease due to a one-time appropriation in fiscal year 2000 that did not recur in fiscal year 2001.

⁹Appropriation includes \$5.2 million for the Missouri Arts Council Trust and \$865,677 for the Missouri Humanities Council Trust.

¹⁰Survey not yet completed - fiscal year 2001 figure recorded is the same as fiscal year 2000.

¹¹Increase derives in part to an additional \$263,370 earmarked for Percent for Art.

¹²Decrease due largely to a \$373,000 reduction in line items.

¹³Increase derives in part from state service contracts in a variety of areas.

Preliminary Data
Per Capita Rankings for State Arts Agencies, Fiscal Year 2001

States and Special Jurisdictions	Total Legislative Appropriations		Per Capita Amount Rank		Appropriations w/out Line Items	Per Capita Amount Rank		Total SAA Revenue	Per Capita Amount Rank	
Alabama	\$ 6,890,875	\$1.58	14		\$ 4,800,875	\$1.10	17	\$ 7,476,275	\$1.71	20
Alaska	531,400	0.86	29		531,400	0.86	27	1,060,566	1.71	19
Arizona	3,898,300	0.82	30		3,898,300	0.82	28	4,814,825	1.01	37
Arkansas	1,354,857	0.53	42		1,354,857	0.53	42	2,175,910	0.85	42
California	68,063,400	2.05	12		31,828,000	0.96	25	68,900,200	2.08	14
Colorado	1,886,452	0.47	45		1,886,452	0.47	45	3,774,678	0.93	40
Connecticut	13,582,642	4.14	2		3,572,642	1.09	18	21,146,062	6.44	1
Delaware	1,674,200	2.22	10		1,674,200	2.22	9	2,207,095	2.93	6
Florida	36,920,074	2.44	9		35,005,074	2.32	8	37,482,744	2.48	11
Georgia	4,735,331	0.61	40		4,385,685	0.56	41	5,316,431	0.68	47
Hawaii	6,065,960	5.12	1		5,990,960	5.05	1	6,727,673	5.67	2
Idaho	951,200	0.76	31		951,200	0.76	30	1,448,100	1.16	33
Illinois	19,806,450	1.63	13		13,120,700	1.08	19	20,403,350	1.68	21
Indiana	3,842,783	0.65	37		3,842,783	0.65	37	4,362,583	0.73	46
Iowa	1,708,406	0.60	41		1,708,406	0.60	40	2,690,372	0.94	39
Kansas	1,643,623	0.62	39		1,643,623	0.62	39	2,143,721	0.81	43
Kentucky	4,113,900	1.04	26		3,903,900	0.99	24	4,681,700	1.18	32
Louisiana	4,989,643	1.14	23		4,989,643	1.14	16	5,567,243	1.27	30
Maine	797,286	0.64	38		797,286	0.64	38	1,294,186	1.03	36
Maryland	12,661,525	2.45	8		12,161,525	2.35	7	13,378,525	2.59	10
Massachusetts	17,780,458	2.88	4		17,780,458	2.88	3	19,251,258	3.12	5
Michigan	25,836,200	2.62	7		25,836,200	2.62	5	26,415,000	2.68	9
Minnesota	13,094,000	2.74	5		13,094,000	2.74	4	13,725,300	2.87	7
Mississippi	2,898,853	1.05	25		2,898,853	1.05	20	3,793,853	1.37	29
Missouri	11,971,858	2.19	11		5,612,121	1.03	22	12,463,058	2.28	12
Montana	285,930	0.32	49		285,930	0.32	49	1,747,697	1.98	16
Nebraska	1,454,726	0.87	28		1,330,788	0.80	29	2,706,500	1.62	23
Nevada	1,267,071	0.70	34		1,267,071	0.70	33	1,976,676	1.09	35
New Hampshire	588,643	0.49	43		588,643	0.49	43	1,077,954	0.90	41
New Jersey	22,089,000	2.71	6		20,429,000	2.51	6	22,870,642	2.81	8
New Mexico	1,921,000	1.10	24		1,771,000	1.02	23	2,765,300	1.59	24
New York	56,739,000	3.12	3		54,500,000	3.00	2	57,422,900	3.16	4
North Carolina	7,856,031	1.03	27		7,856,031	1.03	21	8,524,628	1.11	34
North Dakota	453,262	0.72	33		453,262	0.72	32	989,004	1.56	25
Ohio	16,279,685	1.45	16		16,279,685	1.45	10	17,373,497	1.54	26
Oklahoma	4,235,497	1.26	21		4,235,497	1.26	13	5,157,704	1.54	27
Oregon	1,160,415	0.35	48		1,160,415	0.35	47	2,139,075	0.65	48
Pennsylvania	14,000,000	1.17	22		14,000,000	1.17	15	14,712,500	1.23	31
Rhode Island	1,433,277	1.45	15		1,327,854	1.34	11	1,949,177	1.97	17
South Carolina	5,408,089	1.39	18		4,994,467	1.29	12	6,375,689	1.64	22
South Dakota	512,485	0.70	35		512,485	0.70	34	1,062,585	1.45	28
Tennessee	2,306,600	0.42	47		1,881,600	0.34	48	5,462,600	1.00	38
Texas	4,739,335	0.24	50		4,739,335	0.24	50	5,404,435	0.27	50
Utah	2,776,300	1.30	19		2,676,300	1.26	14	4,162,300	1.95	18
Vermont	835,896	1.41	17		520,396	0.88	26	2,060,900	3.47	3
Virginia	4,690,174	0.68	36		4,690,174	0.68	35	5,194,374	0.76	45
Washington	2,628,293	0.46	46		2,628,293	0.46	46	4,587,320	0.80	44
West Virginia	2,342,597	1.30	20		1,224,097	0.68	36	3,945,597	2.18	13
Wisconsin	2,562,600	0.49	44		2,562,600	0.49	44	3,065,800	0.58	49
Wyoming	352,603	0.74	32		352,603	0.74	31	988,108	2.06	15
American Samoa	36,500	0.59	(47)		36,500	0.59	(46)	292,200	4.73	(7)
District of Columbia	1,900,000	3.66	(5)		1,900,000	3.66	(4)	3,365,800	6.49	(3)
Guam	478,866	2.98	(7)		478,866	2.98	(6)	799,966	4.98	(6)
Northern Marianas	272,851	5.10	(2)		272,851	5.10	(1)	511,151	9.54	(1)
Puerto Rico	17,934,000	4.70	(3)		15,972,000	4.18	(3)	26,946,900	7.06	(2)
Virgin Islands	167,000	1.72	(17)		167,000	1.72	(14)	392,636	4.04	(8)
Total	\$ 447,407,402	\$1.62			\$ 374,363,886	\$1.35		\$ 508,732,323	\$1.84	

Notes:

Ranks for states are out of 50 states. Jurisdictional ranking in parentheses is out of all 56 arts agencies.

Total SAA Revenue column includes legislative appropriations, NEA dollars, state transfer funds, private dollars, etc.

**Kansas Arts Commission
Expenditures
FY 1990 - FY 2001**

Fiscal Year	SGF & EDIF	Federal Funds	Other Funds	Total
1990	\$ 1,160,773	\$ 552,856	\$ 5,617	\$1,719,246
1991	1,114,802	471,844	67,816	1,654,462
1992	1,058,069	733,662	2,619	1,794,350
1993	1,017,551	745,928	4,424	1,767,903
1994	1,142,311	522,651	1,191	1,666,153
1995	1,348,402	631,581	1,038	1,981,021
1996	1,326,697	792,644	22,365	2,141,706
1997	1,347,352	539,746	24,982	1,912,080
1998	1,346,123	601,021	466	1,947,610
1999	1,472,549	533,984	1,000	2,007,533
2000	1,655,170	477,273	5,505	2,137,948
* 2001	1,647,377	500,198	600	2,148,175

*Budgeted 2001

**Number of Individuals Benefiting
FY 1995 - FY 2001**

FY 1995	2,581,859
FY 1996	3,155,177
FY 1997	2,736,299
FY 1998	2,328,825
FY 1999	3,702,085
FY 2000	3,623,676

**The Kansas Arts Commission Continuum of Programs
For Organizations of all Sizes - FY 2000**

Grant Category	Local Match Requirement	Cap on Request Amount
Grassroots Program	\$1 Match: \$4 Request	\$2,000
Technical Assistance	\$1 Match: \$2 Request	\$2,000
Arts Project Support	\$1 Match: \$1 Request	\$7,500
Arts In Education, Community	\$1 Match: \$1 Request	\$9,000
Arts In Education, At Risk	\$1 Match: \$1 Request	\$9,000
Operational Support	Formula Funding	\$13,000
Kansas Touring Program	60% of Performing Artist's Fee	40% of Artist's Fee up to \$10,000

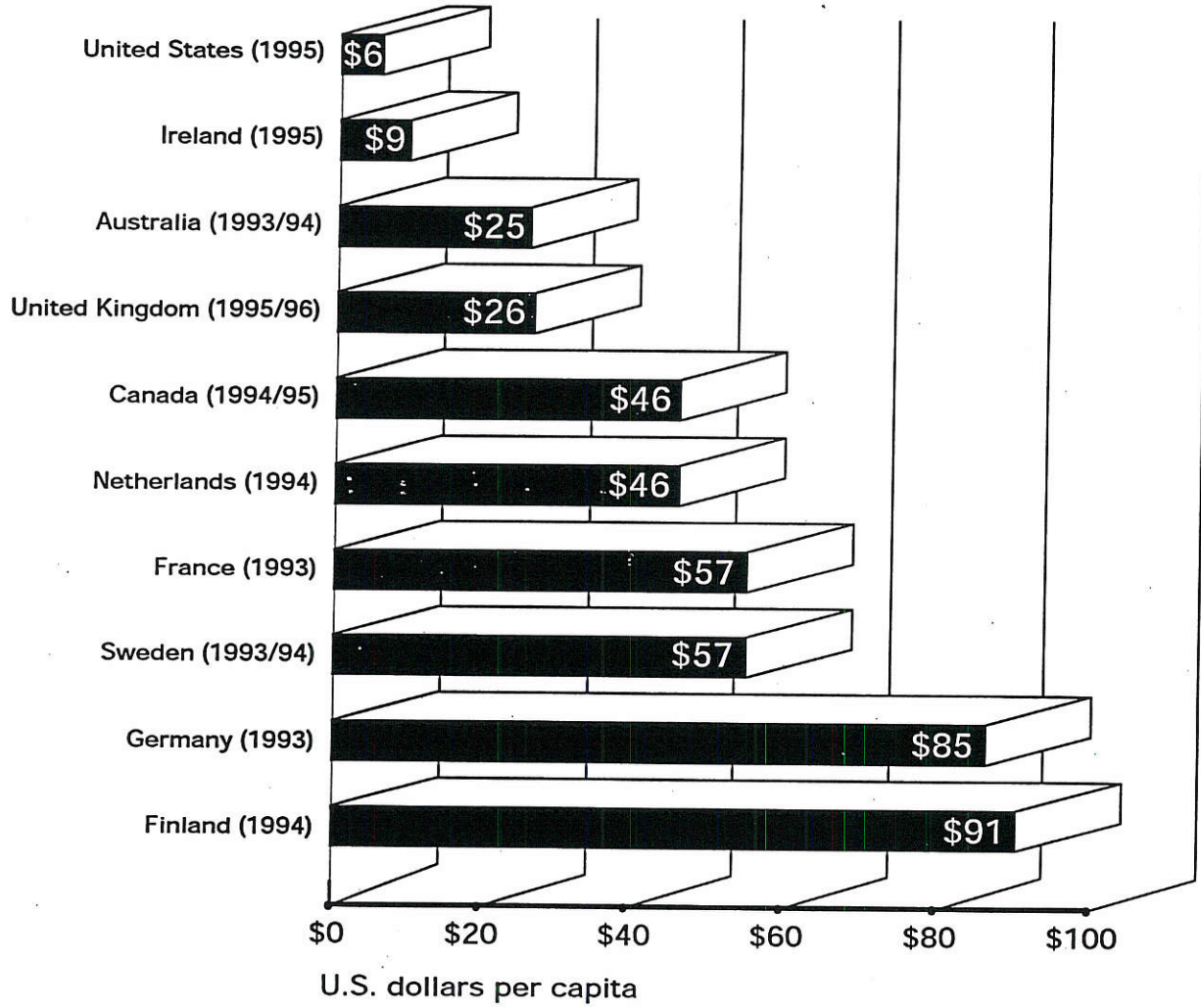
**In FY 2000,
Kansas Arts Commission grant dollars, overall, were actually matched
on the local level at a rate of
\$18.92 Match to \$1 Granted**

**Kansas Arts Commission
Data from Final Reports
People and Budgets**

Fiscal Year	2000	1999
F/T Employees	788	1,284
P/T Employees	3,481	3,283
Volunteers	20,813	18,916
Artists	24,909	19,190
Attendance	3,623,676	3,702,085
Revenue (Grants + Match)	\$27,762,685	\$19,050,244
In Kind Match	\$2,072,888	\$2,081,837

An International Comparison: Direct Public Expenditures on the Arts and Museums

Includes Federal, State, and Local Government Per Capita Spending on the Arts



Source: National Endowment for the Arts Research Division Note #74, December 1999.

Figures represent the information most currently available for the countries cited.

GROW KANSAS

A PLAN TO INCREASE THE ADVERTISING BUDGET OF THE DIVISION OF TRAVEL & TOURISM

BACKGROUND

The total budget of the Division of Travel & Tourism is roughly \$4.2 million. Of that, approximately \$1.2 million is devoted to General Promotions. Out of this General Promotions line-item comes all printed material and advertising, including the state travel guide. When all brochures and other standard materials are paid for, there is a minimal amount left in this line-item to spend on advertising. Last year the amount was just \$520,000.

COMPETITION

Tourism marketing is highly competitive and even the smallest of market shares is an important part of a state (or local) economy. **If we identify Nebraska, Iowa, Arkansas and Oklahoma as our peer competitors**, leaving out the multi-destination states of Missouri and Colorado, **Kansas should be spending between \$2 and \$3 million** just in advertising to stay even with these peer competitors. (See 1999-2000 Advertising Budget).

THE PLAN

- Determine the growth in sales tax collections made in tourism related businesses. This can be done by comparing Department of Revenue collections in specific SIC codes.
- If there is growth from one year to the next, the first 3% of growth in those specific codes would remain in the state general fund.
- 50% of any growth above 3% would be transferred to the General Promotions line item of the Division of Travel and Tourism.
- Any transfer would be limited to an amount that does not exceed 90% of the average tourism advertising spending of our peer states as reported by the Travel Industry Association of America.
- Peer states are identified to be Iowa, Nebraska, Oklahoma and Arkansas.

THE BENEFIT

- This is an incentive plan...successful advertising will result in more revenue for the entire state AND the Division's budget.
- According to figures from the past few current years, the Division's advertising budget could be grown from the current \$520,000 to \$2.3 million in one year.

GROWTH IN TOURISM RELATED SALES TAX COLLECTIONS (IN MILLIONS)

3-2

Fiscal Year	GROWTH PERCENTAGE	GROWTH AMOUNT	3% GROWTH AMOUNT	EXCESS of 3% GROWTH AMOUNT
FY96	8.25%	\$8.2	\$3.0	\$5.2
FY97	4.00%	\$4.2	\$3.2	\$1.1
FY98	6.25%	\$6.7	\$3.2	\$3.5
FY99	7.00%	\$8.2	\$3.5	\$4.7

**50% of
EXCESS
GROWTH**

\$2.6

\$0.5

\$1.7

\$2.3

1999-2000 Advertising Budget

Rank	State	Budget
1	New Mexico	13,107,500
2	Florida	10,368,165
3	New Hampshire	928,2800
4	Texas	8,555,000
5	New York	7,680,000
6	Illinois	7,507,600
7	Pennsylvania	7,000,000
8	Wisconsin	6,100,000
9	Missouri	5,735,000
10	Louisiana	4,897,900
11	Arkansas	4,743,271
12	Michigan	3,527,501
13	Tennessee	3,446,442
14	Oklahoma	3,165,085
15	Arizona	3,100,000
16	Maryland	3,059,328
17	Mississippi	2,971,168
18	New Jersey	2,900,000
19	North Carolina	2,800,000
20	West Virginia	2,695,746
21	Kentucky	2,624,000
22	Massachusetts	2,585,028
23	Montana	2,296,588
24	Iowa	2,250,000
25	Minnesota	2,200,000
26	South Carolina	2,143,281
27	South Dakota	1,996,000
28	Connecticut	1,554,000
29	Utah	1,490,000
30	Wyoming	1,389,037
31	Idaho	1,250,037
32	Alabama	1,200,000
33	Alaska	1,181,144
34	Nevada	1,084,243
35	Georgia	1,044,000
36	Maine	1,000,000
37	Rhode Island	805,000
38	Indiana	770,000
39	Nebraska	731,000
40	Oregon	675,000
41	North Dakota	567,971
42	Washington	557,263
43	Vermont	541,062
44	Kansas	520,000
45	Delaware	100,000
The following states did not report		
46	California	0
47	Colorado	0
48	Hawaii	0
49	Ohio	0
50	Virginia	0

*Data was taken from the 1999-2000 Survey of U.S. State and Territory Tourism Offices, compiled by National Councils Department Travel Industry Association of America