

OKLAHOMA TOURISM AND RECREATION DEPARTMENT

Richard (Dick) Dutton, Executive Director

FY'17 Projected Division/Program Funding By Source

FY'17 Projected Division/Program Funding By Source						
	Appropriations (Note 1)	Federal	Revolving (Note 2)	Local	Other*	Total
Parks Division 10	\$9,193,204	\$3,001,000	\$24,003,571			\$36,197,775
Travel Promotion 20	\$1,812,291		\$8,968,309			\$10,780,600
Administrative Services 40	\$2,661,694		\$0			\$2,661,694
Film and Music 70	\$656,696		\$0			\$656,696
MultiCounty Organizations 70	\$711,669		\$0			\$711,669
Pass Through 80	\$0		\$0			\$0
Information Technology 88	\$0		\$0			\$0
Capital Projects 90	\$0		\$12,986,427		\$298,985	\$13,285,412
Total	\$15,035,554	\$3,001,000	\$45,958,307	\$0	\$298,985	\$64,293,846

*Source of "Other" and % of "Other" total for each.

Note 1: Appropriation FY17 per SB 1616 Sec. 124 from General Revenue funds for duties, does not include redirected revolving funds.

Note 2: 200 Series Fund Accounts revenue earned including sales and use tax apportionment

FY'17 Projected Division/Program Funding By Source of Expenditures

FY'17 Projected Division/Program Funding By Source of Expenditures						
	Appropriations (Note 1)	Federal	Revolving (Note 2)	Local	Other*	Total
Parks Division 10	\$10,228,512	\$3,078,450	\$31,589,220			\$44,896,181
Travel Promotion 20	\$2,903,048		\$10,572,325			\$13,475,373
Administrative Services 40	\$2,743,905		\$1,091,481		\$25,700	\$3,861,086
Film and Music 70	\$656,696		\$9,000			\$665,696
MultiCounty Organizations 70	\$711,669		\$0			\$711,669
Pass Through 80			\$0			\$0
Information Technology 88			\$1,055,580			\$1,055,580
Capital Projects 90	\$300,000		\$30,533,055		\$2,738,085	\$33,571,140
Total	\$17,543,830	\$3,078,450	\$74,850,660	\$0	\$2,763,785	\$98,236,725

*Source of "Other" and % of "Other" total for each.

Note 1: Appropriation FY17 per SB 1616 Sec. 124 from General Revenue funds for duties, including redirected revolving funds of \$2,300,000.

Note 2: 200 Series Fund Accounts revenue earned including sales and use tax apportionment plus carryover from FY16.

FY'16 Carryover and Refund by Funding Source

FY'16 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover - Special Cash Fund	\$208,276					\$208,276
FY'16 GR Refund**						\$0

*Source of "Other" and % of "Other" total for each.

**Indicate how the FY'16 General Revenue refund was budgeted

N/A

What Changes did the Agency Make between FY'16 and FY'17?

1.) Are there any services no longer provided because of budget cuts?	None
2.) What services are provided at a higher cost to the user?	Base rate for camping increased by \$2.00 per night. Increase apply to new reservations only. Fee increase did not apply to reservations already in place.
3.) What services are still provided but with a slower response rate?	None
4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document.	Yes - see document sent separately

FY'18 Requested Division/Program Funding By Source

FY'18 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Parks Division 10	\$10,228,512	\$3,078,450	\$24,003,571		\$37,310,533	3.07%
Travel Promotion 20	\$2,903,048		\$8,968,309		\$11,871,357	10.12%
Administrative Services 40	\$2,743,905				\$2,743,905	3.09%
Film and Music 70	\$656,696				\$656,696	0.00%
MultiCounty Organizations 70	\$711,669				\$711,669	0.00%
Information Technology 88	\$300,000				\$300,000	#DIV/0!
Capital Projects 90	\$0		\$12,986,427	\$298,985	\$13,285,412	0.00%
Total	\$17,543,830	\$3,078,450	\$45,958,307	\$298,985	\$66,879,572	4.02%

*Source of "Other" and % of "Other" total for each.

FY'18 Top Five Appropriation Funding Requests

FY'18 Top Five Appropriation Funding Requests		\$ Amount
Request 1 -- Tourism Advertising / Marketing Increase		\$2,500,000
Request 2		
Request 3		

Request 4	
Request 5 -- Payment to governmental subdivisions	
Total Increase above FY-18 Request	2,500,000

How would the agency handle a 5% appropriation reduction in FY'18?

A 5% reduction in the appropriation of \$15,035,554 would amount to \$751,778 for this agency. The agency would continue the current aggressive actions in negotiations in lowering costs of renewing contracts, aggressive oversight and compliance with worker's compensation issues and other Administrative and HR costs.

How would the agency handle a 7.5% appropriation reduction in FY'18?

A 7.5% reduction in the appropriation would amount to \$1,127,667 for this agency. In addition to the previous items listed, the agency would review current services provided and perform an evaluation of the services that could be modified, with a goal of cost savings while not having a drastic impact on the services. Would explore opportunities for private sector partnerships that would provide the shifting of expenses to a partner.

How would the agency handle a 10% appropriation reduction in FY'18?

A 10% reduction in the appropriation would amount to \$1,503,555 for this agency. In addition to the previous items, the agency would have to review the current park revenue and inventory environment. Looking first to increase revenue opportunities through new offerings/concessions or possibly an allowable increase in current rates for services. Lastly looking at park inventory to determine if any contracts were expiring or which could be ended early to reduce operation costs for the overall system.

Is the agency seeking any fee increases for FY'18?

		\$ Amount
Increase 1	N/A	\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

1. High internet connectivity to the Parks, which would provide the guest and staff capabilities for wireless services, daily backups of sales data to the centralized servers.
2. Funding for equipment and software for Parks' personnel to take credit card payments outside of the Park office. This would allow for less handling of cash payments, convenience for the visitor, onsite collection capability which would increase overall collections.
3. Conversion to a non-paper working environment. The conversion of all current and future forms to a digital format, which reduces paper and storage cost. This effort would also reduce overall man-hours needed to execute required tasks.
4. Funding the repairs of damage caused by flooding in the spring of 2015. The Agency will need to pay the repairs to parks now, in order for repairs to be completed for next summer's high traffic season. FEMA and insurance reimbursements will lag many months behind work schedule. Currently using existing capital funds to pay for needed repairs.

Federal Government Impact

- 1.) **How much federal money received by the agency is tied to a mandate by the Federal Government?**
There are no mandates outside of the requirements included in the respective laws authorizing the Land and Water Conservation Fund, and the Recreational Trails Program or the Boating Infrastructure Grants program.
- 2.) **Are any of those funds inadequate to pay for the federal mandate?**
All requirements of administering the programs noted in question 1 are eligible for reimbursement.
- 3.) **What would the consequences be of ending all of the federal funded programs for your agency?**
Matching funds would not be available for recreational and trail projects or improvements for transient boat facilities. Recipients are predominantly municipal governments, so no federal funds would be available to assist these local efforts.
- 4.) **How will your agency be affected by federal budget cuts in the coming fiscal year?**
For the coming fiscal year, federal funds are approximately at the same level as previous cycles.
- 5.) **Has the agency requested any additional federal earmarks or increases?**
No.

Division and Program Descriptions

Administrative Services - Division 40	Coordinates the fiscal and human resources activities of the operating divisions; provides financial information, fiscal control, purchasing services, personnel administration, training and interprets policy and procedures promulgated by the Oklahoma Tourism and Recreation Commission.
	Clients: Other divisions, all staff, vendors, other State Agencies.
Division 10	Parks, Resorts and Golf Division Serves as an economic catalyst in rural Oklahoma as well as to provide excellence in recreational opportunities

for citizens and visitors in terms of service, programming and facilities.

Clients: Visitors to state parks and golf courses. Local communities, civic and charitable organizations.

Division 20

Travel Promotion Division

Responsible for the formulation of information, marketing plans and programs designed to generate travel in the state and the dissemination of information concerning the State's public and private attractions, events, lodges, parks and recreational facilities. This division assists municipalities, public and private associations and organizations in the promotion and development of special events and attractions that impact the local economy. **The Oklahoma Today Magazine** is a bi-monthly regional magazine that educates Oklahomans and non-Oklahomans alike about the culture, heritage, history, people, food, environment, and places of Oklahoma. The **Discover Oklahoma** is a weekly television program that encourages Oklahomans to travel to attractions and events across the state. The program features fun stories about attractions, restaurants, interesting people and unique activities in every corner of the state.
TravelOK.com Tourism Website.

Clients: The traveling public as well as travel trade professionals and Oklahoma's tourism product suppliers. Subscribers, advertisers, and newsstand buyers as well as any reader who receives the magazine as a "pass-along" from a subscriber or advertiser. Private sector tourism businesses, other OTRD divisions, advertising sponsors, residents of OK

Division 70

Office of the Oklahoma Film & Music

This office promotes, supports, and strives to expand film, television, and music activities and to expand the economy and job opportunities in OK. They provide prospective film, television, and music production companies with information on location sites, permits, crew member availability, equipment, and any other general information.

Clients: Film, television, and music production companies/studios, Oklahoma filmmakers and musicians, festival directors, Oklahoma higher education

Division 70

Multicounty Organizations

Designed to reimburse approved marketing expenditures by regional tourism promotion associations as they publicize tourism products in designated multicounty tourism marketing regions. The goal is to distribute funding among eligible organizations proportional to amounts spent for promotion and to increase their promotion capabilities.

Clients: Non-profit organizations whose primary purpose is to market the tourism attractions and attributes of a multiple-county region of Oklahoma.

Division Name

FY'17 Budgeted FTE						
	Supervisors (Note 2)	Classified	Unclassified	\$0 - \$35 K	\$35001 K - \$70 K	\$70001 K - \$\$\$
Administrative Services 40						
Executive	2		7		2	5
Regular	6	4	14	5	11	2
Seasonal			2.75	0.75	1.25	0.75
Parks Division 10						
Regular	47	165	227	307	83	2
Seasonal/Project		0.50	200.50	201		
Travel Promotion 20 (Note 1)						
Regular	12	2	48	22	25	3
Seasonal			21.75	21	0.75	
Film and Music 70						
Regular	2		6	2	3	1
Seasonal						
Projects 90						
Regular			7	7		
Seasonal			7.25	7.25		
Total	69	171.50	541.25	573	126	13.75

Note 1: Travel Promotion Division includes Oklahoma Today Magazine, Discover Oklahoma, and TravelOK.Com

Note 2: Supervisors FTE are included in the Classified and Unclassified FTE Count.

FTE History					
	2017 Budgeted	2016 Actual	2013 Actual	2010 Actual	2006
Administrative Services 40	27.75	24.50			
Parks Division 10 (including Seasonal/Project Employees)	593.00	472.25			

Travel Promotion 20	71.75	56.50			
Film and Music 70	6.00	5.75			
Projects 90	14.25	6.25			
Total	712.75	565.25	0	0	0

Performance Measure Review					
	FY'16	FY'15	FY'14	FY'13	FY'12
State Parks Division					
# of State Park Visitors Statewide (Millions)	9.5	8.5	8.1	8.1	9.4
Lodge Occupancy Rates	35.0%	38.0%	36.0%	35.4%	33.78%
Total Expenditure Per Visitor (Appropriated)	\$0.76	\$1.50	\$1.50	\$1.50	\$1.30
Rounds Played as Percent of Capacity	23%	20%	25%	26%	26%
Increase in Concession Revenue	\$979,000	\$895,000	\$957,000	\$899,404	\$900,845
Travel Promotion Division					
OK Market Share of Domestic Travel	1.52	1.52	1.77	1.89	1.70
TravelOK.com Unique Visitors	8,173,405	1,637,878	4,880,099		
Tourism Revenue (billion)	\$8.7	\$8.6	\$8.9	\$8.6	\$8.3
State tax generated by visitor spending	370,000,000	369,000,000	362,000,000	352,000,000	340,000,000
Oklahoma Today Magazine					
Advertising Revenue as an Indicator of Positive Economic Return from Readership Base	\$361,302	\$353,344	\$441,455	\$516,032	\$616,768
Subscription Circulation	189,290	170,958	169,772	205,787	215,561
Percent of Subscribers Seeking Renewal of Magazine	92%	90.3%	87.5%	88%	87%
Discover Oklahoma					
Attract Additional Viewers	2,000,000	1,863,400	1,694,000	1,540,000	1,400,000
# Original episodes/# New episodes annually	43 / 180	41 / 172	39 / 154		
Oklahoma Film and Music Office					
Page Views *	127,174	126,000	36,279		
Average number of total monthly visitors**			20,476	18,616	11,554
# Registrants in the Production Guide / measure industry growth and capabilities.	2,600				
<p>* In December 2014 developed and transformed the website that highlights Oklahoma's vast location settings, filmmakers, music venue, musicians and information regarding the rebate program.</p> <p>**Due to the less than adequate analytics package currently offered by website manager, OK.Gov, they will report average number of total monthly visitor for the budget request purpose.</p>					
Multicounty Organizations					
Total Inquiries Generated		Not available	Not available	Not available	Not Available
Money Spent on Advertising Local Events		\$870,823	\$921,506	\$921,506	\$921,505

Revolving Funds (200 Series Funds)			
	FY'14-16 Avg. Revenues	FY'14-16 Avg. Expenditures	June '16 Balance
Revolving Fund I			
Fund 211: The fund balance is be used to fund capital projects that do not fit the category of major capital projects that is funded with REAP and Sales and Use Tax monies. No new money is added to the fund, when it is depleted the fund will expire.	0	\$ 90,383	32,503
Revolving Fund II			
Fund 215 Title 74 § 2251 OTRD Revolving Fund. Serves as OTRD main revolving fund where revenues derived from the sales by various operations are deposited. Expenditures from the fund are for administration, operation, and maintenance expenses of the Department and are made pursuant to the laws of the state and statutes relating to the Department.	\$ 22,339,109	\$ 21,272,441	13,951,189
Revolving Fund III			
Fund 225 Title 68 § 50014 OTRD Promotion Revolving Fund. Deposits of sales and use tax apportionment for Travel & Tourism's promotion and marketing expenditures.	\$ 7,513,654	\$ 8,880,289	7,535,605
Revolving Fund IV			
Fund 230 Emergency Fund. As designated by the Executive Director, FEMA reimbursements are deposited into this fund to be used for addressing emergencies at OTRD facilities.	\$ 252,557	\$ 681,076	1,123,052
Revolving Fund V			
Fund 250 Title 74 § 2254 State Park System Improvement Fund. All monies received by the Department from all entrance or day-use charges for the state park system including charges for annual pass. Expenditures from the fund are for the exclusive purpose of capital improvements at the state park where the charges were collected.	\$ 188,234	\$ 33,758	946,571

<p>Revolving Fund VI Fund 266 Title 74 § 2254.1 Oklahoma Tourism & Recreation Department Capital Expenditure Revolving Fund. The monies received from the apportionment of gross production tax revenues as prescribed by Section 1004 of Title 68 of the Oklahoma Statutes. The Provisions shall cease on July 1, 2019. Any monies remaining in the fund but not expended, may be expended according to the terms pursuant to which the monies were encumbered. All monies accruing to the fund are hereby appropriated and may be budgeted and expended by OTRD for one-time capital expenditures for capital assets owned, managed or controlled by OTRD.</p>	<p>\$ 2,378,443</p>	<p>\$ 4,823,398</p>	<p>983,652</p>
<p>Revolving Fund VII Fund 267 Title 68 § 50014 Oklahoma Tourism Capital Improvement Revolving Fund The monies received by OTRD and apportioned to such fund pursuant to the provisions of Sections 1353 and 1403 of this title and such other monies accredited to the fund pursuant to law. Monies may be budgeted and expended by OTRD for the purpose of funding capital improvement projects or operations at state parks and tourist information centers; provided, no more than 20% of the amount accruing annual shall be expended for the purpose of funding operations.</p>	<p>\$ 13,561,543</p>	<p>\$ 11,166,277</p>	<p>25,253,291</p>