

SB

107

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: April 27, 1999

FURTHER REFERRALS:

Date of Committee Action: 4/30/99

The FINANCE Committee considered:

CSSB 107(FIN)

CS FOR SENATE BILL NO. 107(FIN)

ABOLISH TOURISM MARKETING COUNCIL

"An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism Marketing Council; and providing for an effective date."

recommends it be replaced with the following committee substitute CS SB 107(FIN) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

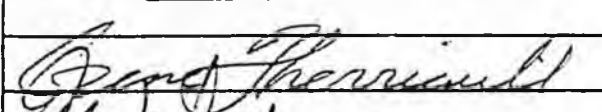
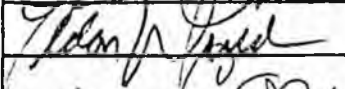
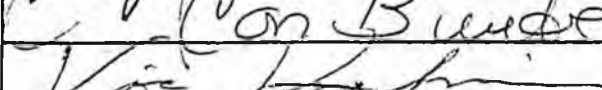
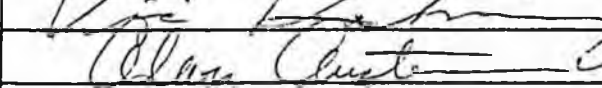
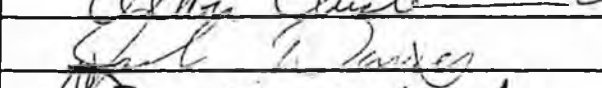
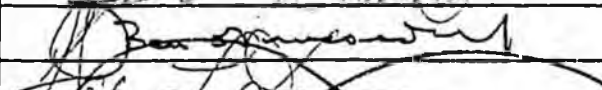



APPROVES PREVIOUS: (Dept/Date) _____

2 fiscal note(s) HFC

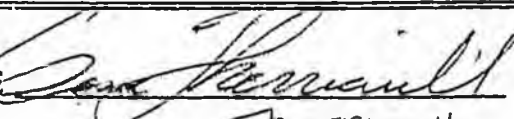
fiscal note(s) _____

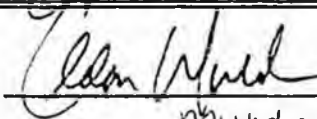
zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
	Therrault	X			
	Wood	X			
	Bunde			-	
	Kohring			X	
	Austman	X			
	J. Davis				X
	Grussendorf			X	
	J. Davis			X	
	Foster			X	

CO CHAIR'S SIGNATURE





FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 107

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
Sponsor: SENATE Labor & Commerce Committee
Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
BRU: Tourism
Components: Tourism Development
Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	573.6	+100 400.0	400.0	400.0	400.0	400.0
Travel	71.1	+40 30.0	30.0	30.0	30.0	30.0
Contractual	1361.2	-200 5200.0	4700.0	4200.0	4200.0	4200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	1983.0	5700.0	5200.0	4700.0	4700.0	4700.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0

POSITIONS:

Full-Time	11	6	6	6	6	6
Part-Time	3	3	3	3	3	3
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

The Legislature intends to fund the QTA's marketing contract in a separate Component within the Tourism BRU in the FY 01 budget. For purposes of this fiscal note, the marketing contract is included in the Division of Tourism's contract line

See attached sheet for additional details.

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/30/99
Phone: 465-2647
Phone: 465-4797

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 107

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
 Sponsor: SENATE Labor & Commerce Committee
 Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
 BRU: Tourism
 Components: ATMC
 Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	216.8					
Travel	53.4					
Contractual	4361.1					
Supplies	4.0					
Equipment	0.0					
Land & Structures	0.0					
Grants, Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	4635.3	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	3335.4					
Federal Fund	0.0					
Other	1299.9					
TOTAL	4635.3	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time	3	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/30/99
 Phone: 465-2647
 Phone: 465-4797

FISCAL NOTE

STATE OF ALASKA
1999 Legislative Session

3
Bill Version: SSB 107(FIN)
(S) Publish Date: 4-23-99

Revision Date: 04/23/99
Title: Abolish Alaska Tourism Marketing Council

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: ATMC

Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	216.8	0.0	0.0	0.0	0.0	0.0
Travel	53.4	0.0	0.0	0.0	0.0	0.0
Contractual	4,361.1	0.0	0.0	0.0	0.0	0.0
Supplies	4.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	4,635.3	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	3,335.4	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,299.9	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1091 Designated Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4,635.3	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS

Full-time	3	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE

Sean Parnell

SENATOR SEAN PARNELL, CO-CHAIR

Date: 4/23/99
Phone: 465-2995

John Torgerson

SENATOR JOHN TORGERSON, CO-CHAIR

Date: 4/23/99
Phone: 465-2828

FISCAL NOTE

1. 2

Bill Version: CS SB 107 (FIN)

(S) Publish Date: 4-23-99

STATE OF ALASKA
1999 Legislative Session

Revision Date: 04/23/99
Title: Abolish the Alaska Tourism Marketing Council

Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: Tourism Development

Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	573.6	400.0	400.0	400.0	400.0	400.0
Travel	71.1	30.0	30.0	30.0	30.0	30.0
Contractual	1,361.2	5,200.0	4,700.0	4,200.0	4,200.0	4,200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 00	FY01	FY02	FY03	FY04	FY05
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	1,983.0	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1108 Designated PR	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS


POSITIONS	FY 00	FY01	FY02	FY03	FY04	FY05
Full-time	11	0	0	0	0	0
Part-time	3	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE


SENATOR SEAN PARNELL, CO-CHAIR

Date: 4/23/99
Phone: 465-2995


SENATOR JOHN TORGERSON, CO-CHAIR

Date: 4/23/99
Phone: 465-2828

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 107

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
 Sponsor: SENATE Labor & Commerce Committee
 Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
 BRU: Tourism
 Components: Tourism Development
 Serial #: _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	573.6	400.0	400.0	400.0	400.0	400.0
Travel	71.1	30.0	30.0	30.0	30.0	30.0
Contractual	1361.2	5200.0	4700.0	4200.0	4200.0	4200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	1983.0	5700.0	5200.0	4700.0	4700.0	4700.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0

POSITIONS:

Full-Time	11	6	6	6	6	6
Part-Time	3	3	3	3	3	3
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

The Legislature intends to fund the QTA's marketing contract in a separate Component within the Tourism BRU in the FY 01 budget. For purposes of this fiscal note, the marketing contract is included in the Division of Tourism's contract line

See attached sheet for additional details.

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/30/99
 Phone: 465-2647
 Phone: 465-4797

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 107

Title: "An Act relating to tourism and tourism marketing; eliminating the Alaska Tourism..."
 Sponsor: SENATE Labor & Commerce Committee
 Requestor: House FIN Committee

Dept. Affected: Commerce and Economic Dev
 BRU: Tourism
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EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	216.8					
Travel	53.4					
Contractual	4361.1					
Supplies	4.0					
Equipment	0.0					
Land & Structures	0.0					
Grants, Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	4635.3	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	3335.4					
Federal Fund	0.0					
Other	1299.9					
TOTAL	4635.3	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time	3	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/30/99
 Phone: 465-2647
 Phone: 465-4797

Fiscal Year 01 Differences

Line Item	H/Fin	DCED	Diffs	Notes
Personal Services	400	569.2	169.2	differences lie in 3 positions: 2 project assistants and one publications specialist
Contractual	5200	4634.2	-565.8	DCED wishes to continue ALL of its current activities and transfers the General Funds allocated to the ATMC for the QTA marketing contract. H Fin deletes all marketing programs/contracts performed by DoT except for fixed costs and research funds. The QTA marketing contract is set at 5,000.0 for FY 01.
Travel	30	68.1	38.1	difference is based on the disparate number of professional staff and their respective travel necessities. Again, DCED wishes to continue to perform their current functions.
Supplies	10	12	2	H Fin assumes fewer staff, fewer supplies needed.

In general, the differences between H Finance and the Department's fiscal notes boil down to the number of professional staff. DCED's note comes up with a lower bottom line number in FY01 by underfunding the marketing contract with the QTA. Sponsors envision a 5,000.0 contract in FY01. DCED reads the Millenium Plan differently and transfers all marketing dollars to the QTA's contract. This is only 3,335.4. That number comes from the amount of the State's current contribution to the ATMC.

Also, DCED is basing their additional contractual duties on the assumption that they will continue to develop tourism markets and attractions/destinations within the state. The distinction between developing attractions/destinations in Alaska versus developing markets (ie-overseas markets such as Korea or China) is crucial to the meaning/intent behind this bill. Unless the Legislature wishes to continue developing markets, there is no reason for the Department to continue a portion of its activities. This is why our position count does not include the two project assistants.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. SB 107

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Requestor: House FIN Committee

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Components: Tourism Development
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Travel	71.1	30.0	30.0	30.0	30.0	30.0
Contractual	1361.2	5200.0	4700.0	4200.0	4200.0	4200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	1983.0	5700.0	5200.0	4700.0	4700.0	4700.0
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Other	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2077.9	5700.0	5200.0	4700.0	4700.0	4700.0

POSITIONS:

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Gene Therriault

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FISCAL NOTE

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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	3335.4					
Federal Fund	0.0					
Other	1299.9					
TOTAL	4635.3	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time	3	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared by: House Finance Committee
Eldon Mulder
Gene Therriault

Date: 04/30/99
 Phone: 465-2647
 Phone: 465-4797

FISCAL NOTE

STATE OF ALASKA
1999 Legislative Session

Bill Version: 3 CSB 107(FIN)
(S) Publish Date: 4-23-99

Revision Date: 04/23/99
Title: Abolish Alaska Tourism Marketing Council
Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: ATMC
Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	216.8	0.0	0.0	0.0	0.0	0.0
Travel	53.4	0.0	0.0	0.0	0.0	0.0
Contractual	4,361.1	0.0	0.0	0.0	0.0	0.0
Supplies	4.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	4,635.3	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 00	FY01	FY02	FY03	FY04	FY05
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	3,335.4	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,299.9	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1091 Designated Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4,635.3	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS


POSITIONS	FY 00	FY01	FY02	FY03	FY04	FY05
Full-time	3	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE


SENATOR SEAN PARNELL, CO-CHAIR

Date: 4/23/99
Phone: 465-2995


SENATOR JOHN TORGERSON, CO-CHAIR

Date: 4/23/99
Phone: 465-2828

FISCAL NOTE

1. 2
 Bill Version: CSSB 107 (FIN)
 (S) Publish Date: 4-23-99

STATE OF ALASKA
 1999 Legislative Session

Revision Date: 04/23/99
 Title: Abolish the Alaska Tourism Marketing Council
 Sponsor: Senate Labor and Commerce Committee
 Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
 BRU: Tourism
 Component: Tourism Development

Component Serial No. _____

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05	
Personal Services	573.6	400.0	400.0	400.0	400.0	400.0	
Travel	71.1	30.0	30.0	30.0	30.0	30.0	
Contractual	1,361.2	5,200.0	4,700.0	4,200.0	4,200.0	4,200.0	
Supplies	12.0	10.0	10.0	10.0	10.0	10.0	
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0	
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL OPERATING	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts	0.0						
1003 GF Match	0.0						
1004 GF	1,983.0	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0	
1005 GF/Program Receipts	0.0						
1037 GF/Mental Health	0.0						
1108 Designated PR	94.9	0.0	0.0	0.0	0.0	0.0	
TOTAL	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0	

Estimate of any current year (FY99) costs: 0.0

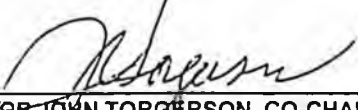
POSITIONS	FY 00	FY01	FY02	FY03	FY04	FY05
Full-time	11	0	0	0	0	0
Part-time	3	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE


 SENATOR SEAN PARNELL, CO-CHAIR

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 SENATOR JOHN TORGERSON, CO-CHAIR

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FISCAL NOTE

STATE OF ALASKA
1999 Legislative Session

Bill Version: 3
(S) Publish Date: 0SSB 107(FIN)
4-23-99

Revision Date: 04/23/99
Title: Abolish Alaska Tourism Marketing Council
Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: ATMC
Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	216.8	0.0	0.0	0.0	0.0	0.0
Travel	53.4	0.0	0.0	0.0	0.0	0.0
Contractual	4,361.1	0.0	0.0	0.0	0.0	0.0
Supplies	4.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	4,635.3	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 00	FY01	FY02	FY03	FY04	FY05
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	3,335.4	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,299.9	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1091 Designated Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4,635.3	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS

POSITIONS	FY 00	FY01	FY02	FY03	FY04	FY05
Full-time	3	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE

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John Torgerson
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FISCAL NOTE

STATE OF ALASKA
1999 Legislative Session

Bill Version: CSRB 107 (FIN)
(S) Publish Date: 4-23-99

Revision Date: 04/23/99
Title: Abolish the Alaska Tourism Marketing Council

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: Tourism Development

Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	573.6	400.0	400.0	400.0	400.0	400.0
Travel	71.1	30.0	30.0	30.0	30.0	30.0
Contractual	1,361.2	5,200.0	4,700.0	4,200.0	4,200.0	4,200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	1,983.0	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1108 Designated PR	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS

Full-time	11	0	0	0	0	0
Part-time	3	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: SENATE FINANCE COMMITTEE


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FISCAL NOTE

3

Bill Version: CSB 107(FIN)
 (S) Publish Date: 4-23-99

STATE OF ALASKA
 1999 Legislative Session

Revision Date: 04/23/99
 Title: Abolish Alaska Tourism Marketing Council
 Sponsor: Senate Labor and Commerce Committee
 Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
 BRU: Tourism
 Component: ATM
 Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	216.8	0.0	0.0	0.0	0.0	0.0
Travel	53.4	0.0	0.0	0.0	0.0	0.0
Contractual	4,361.1	0.0	0.0	0.0	0.0	0.0
Supplies	4.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	4,635.3	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 00	FY01	FY02	FY03	FY04	FY05
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	3,335.4	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	1,299.9	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1091 Designated Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	4,635.3	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS

POSITIONS	FY 00	FY01	FY02	FY03	FY04	FY05
Full-time	3	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)*

Prepared By: SENATE FINANCE COMMITTEE

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FISCAL NOTE

STATE OF ALASKA
1999 Legislative Session

Bill Version: CS SB 107 (FIN)
(S) Publish Date: 4-23-99

Revision Date: 04/23/99
Title: Abolish the Alaska Tourism Marketing Council
Sponsor: Senate Labor and Commerce Committee
Requester: Senate Finance Committee

Dept. Affected: Commerce and Economic Dev.
BRU: Tourism
Component: Tourism Development

Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY01	FY02	FY03	FY04	FY05
Personal Services	573.6	400.0	400.0	400.0	400.0	400.0
Travel	71.1	30.0	30.0	30.0	30.0	30.0
Contractual	1,361.2	5,200.0	4,700.0	4,200.0	4,200.0	4,200.0
Supplies	12.0	10.0	10.0	10.0	10.0	10.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES []	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	1,983.0	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1108 Designated PR	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2,077.9	5,700.0	5,200.0	4,700.0	4,700.0	4,700.0

Estimate of any current year (FY99) costs: 0.0

POSITIONS

Full-time	11	0	0	0	0	0
Part-time	3	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: SENATE FINANCE COMMITTEE



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The New Millennium Plan

A Concept for the Future of Tourism in Alaska

**Alaska Travel Industry Association
Organizational Outline**

Revised December 1998

Alaska Travel Industry Association

A New Concept for the Future

A. OVERVIEW

Presented in this document is an industry-led initiative to regain Alaska's competitive position as a visitor destination and to consolidate Alaska's statewide tourism organizations – the Alaska Tourism Marketing Council, the Alaska Visitors Association, and the marketing functions of the Alaska Division of Tourism – into one new, non-profit organization.

This streamlined structure is the industry's solution to several issues facing Alaska tourism: greatly reduced government funding, continued threats of industry taxes, increased competition from other destinations, and a decline in the rate of visitor growth. Without a renewed effort to regain our position in the marketplace, the downward trends will continue.

Rather than continue to watch Alaska's marketing decline further, the tourism industry has taken a proactive approach to deal with the problem. Under this plan, the industry would greatly increase its marketing contribution and the State would continue to provide a core level of funding through a fee-for-services contract with the new non-profit organization. After a phase-in period, the goal is to raise a minimum of \$10 million, with \$6 million coming from the private sector and \$4 million coming from the State. This represents a 25 percent reduction in state general funds and a more than 300 percent increase in private sector funds.

B. A NEW ORGANIZATION

Dissolve the Alaska Tourism Marketing Council, the Alaska Visitors Association, and the marketing functions of the Alaska Division of Tourism. In their place, create a new statewide organization that would accomplish much of what is being done by all three, while realizing efficiencies from streamlining. While all the marketing functions would be consolidated, the Division of Tourism (DoT) would remain a separate entity within state government for planning, government coordination and advocacy.

Within the organization, there would be three major program areas. A board of directors would set overall policy and budget, overseeing the Tourism Industry Services, Administration and Marketing functions. The marketing program would be implemented by a professional staff at the direction of the Alaska Travel Industry Association board of directors or a committee thereof. It is intended that developmental programs aimed at expanding fall/winter/spring, highway travel, and international markets would continue.

Marketing Membership Dues

Based on peak-season employee counts, as follows:

<u># of Employees</u>	<u>Amount</u>
< 5	\$200
5-15	300
16-50	500
51-100	1,000
101-300	2,000
301-500	3,000
501-1,000	4,000
1000+	5,000

Cruise Lines

In addition to the membership fees, cruise lines would pay a voluntary assessment based on their percentages of the total Alaska cruise market. The formula-based assessment would be phased in over a three-year period, with a funding goal of \$2 million in the third year.

<u>Company's Alaska passenger cruise days*</u>	x \$1.0 million in FY01
<u>Total passenger cruise days* in Alaska market</u>	x \$1.5 million in FY02
	x \$2.0 million in FY03

See Appendix for contributions beyond FY03.

Destination Marketing Organizations and Communities

Local destinations would have the opportunity to dovetail with the state program as a community partner and leverage their marketing dollars with the Visit Alaska efforts. In addition to the membership benefits, participating destinations would receive additional marketing and promotion tools for their communities, such as advertising and label discounts.

Partnering communities and destination marketing organizations (DMOs) would receive benefits such as:

- Participation in press trips coming to Alaska
- 25 percent discount on mailing labels
- Editorial coverage in marketing materials
- Convention and meeting leads
- Vacation Planner advertising*
 - Buy-ins between \$500-\$4,000 receive a narrative ad
 - Buy-ins between \$4,000-\$7,000 receive a 2" color display ad
 - Buy-ins between \$7,000-\$30,000 receive a ¼ page display ad
 - Buy-ins above \$30,000 receive a ½ page display ad
 - Opportunity to access Pay-to-Play and all other cooperative marketing programs

*Based on community buy-in at FY01 level see Appendix for further details.

- State Vacation Planner ads
- Sector Guide ads, such as highway travel, winter guide, sportfishing guide
- Mailing label and film footage access
- Trade Show participation, both international and domestic
- Newspaper cooperative ads, Internet ads and link purchase
- Brochure distribution
- Trade promotion, media events, and farn participation
- Research
- Meeting and workshop registrations

E. STATE PARTICIPATION

The State's responsibility to assist Alaskan businesses with economic development and growth dictates a need to help level the playing field for Alaska's tourism industry as we compete against other destinations receiving millions of dollars from their own states' general funds. In addition, the tourism industry's direct contributions to government (over \$123 million in taxes and fees to state and local governments in 1995) demonstrate that funds spent on tourism promotion are a long-term investment which would come back to the state in increasing amounts as the industry continues to grow.

The state fee-for-service contract of \$4 million represents a 25 percent decrease from current state general fund spending on tourism programs and a 40 percent decrease in total tourism program spending. This decrease would be phased in over a three-year period as the private sector's contributions increase.

The new, non-profit Alaska Travel Industry Association would contract with the State of Alaska to provide marketing services, which may include:

- Producing and distributing a state vacation planner or other materials
- Producing and maintaining a tourism web site
- Responding to visitor inquiries received by the state
- Including state information such as border crossings, hunting/fishing licenses, and road conditions in visitor publications and on the Internet
- Support to communities just beginning tourism development

Division of Tourism

A separate Division of Tourism within the Department of Commerce and Economic Development (DCED) would be maintained for governmental coordination, state policy development, business development, advocacy, planning, and any visitor information centers. The DoT would also serve as a liaison to the new organization and enter into the marketing contract with ATIA.

H. TIMELINE

Implementation of this proposal would require approximately one full transition year, beginning in 1999. A transition team comprising representatives from the ATMC, AVA, State of Alaska, Destination Marketing Organizations, and Alaska Wilderness Tourism & Recreation Association was formed in July 1998 to write bylaws, incorporate the new organization, and facilitate the election of the first board of directors. The directors of each of the existing organizations (AVA, ATMC, and DoT) also serve as advisors to this transition team.

To ensure a smooth transition, the three current organizations would continue to operate concurrently with the new organization for a period of 6 to 12 months. On or before July 1, 2000, the new organization would officially take over the marketing functions currently served by the existing organizations. Once seated, the Alaska Tourism Industry Association Board of Directors would hire the Chief Staff Executive. Staff of the current organizations would be given first priority for positions with the new organization.

1998

January	Revised plan distributed to travel and tourism businesses statewide for approval
March	Legislation introduced
May	Legislature adjourns before enacting plan
July	Transition team formed to begin work on bylaws and articles of incorporation

1999

Winter	New legislation introduced
Spring	Transition team coordinates election of first board of directors
July 1	New organization begins initial operations

2000

Spring	Full plan takes effect: marketing duties of ATMC and DoT are transferred to new organization and AVA and ATMC are dismantled.
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Background

BUILDING ON OUR SUCCESS

History of Cooperative Marketing in Alaska

Cooperative Marketing in Alaska really began with the creation of the Alaska Visitors Association (AVA) in 1950. The major emphasis of the association was promotion, including production of the *Alaska Yukon Travel Manuals*. In fact, between 1959 and 1970, AVA was known as the Alaska Travel Promotion Association and worked on marketing projects with the Division of Tourism after it was formed in the '60s.

In 1976 the first formal cooperative tourism marketing efforts between the State of Alaska and the tourism industry began, when AVA approached the state with an innovative proposal to co-mingle private and state funds to draw visitors to Alaska. The idea was simple: combine funding from the state with money, marketing talent, and knowledge contributed by the private industry to build a program to promote the entire state as a destination. Program recommendations were provided by the Alaska Visitors Association Marketing Council and implemented by the Division of Tourism.

A Model Program

This melding of industry and state tourism efforts went a step further with legislation passed in 1988 to form the Alaska Tourism Marketing Council (ATMC). Jointly managed by the state and AVA, the ATMC oversees promotion of Alaska to the domestic and Canadian markets, while the State Division of Tourism (DoT) manages the international marketing efforts for Alaska.

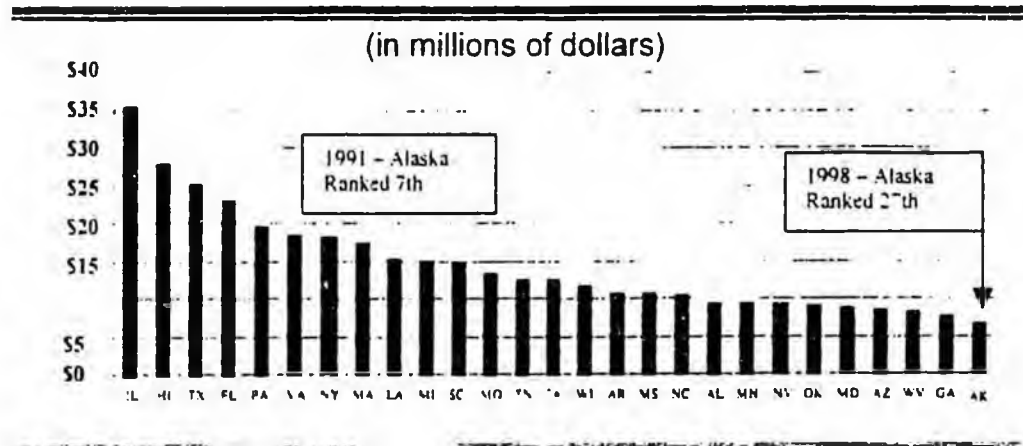
This unique program has created a consistent, high-quality marketing plan that has bolstered industry expansion efforts, as evidenced by the phenomenal growth in the number of visitors to the state. For many years, Alaska's sophisticated marketing techniques and public-private structure served as a model for other destinations. The marketing materials produced were award-winning.

TOURISM IN TRANSITION

Alaska is Losing Ground

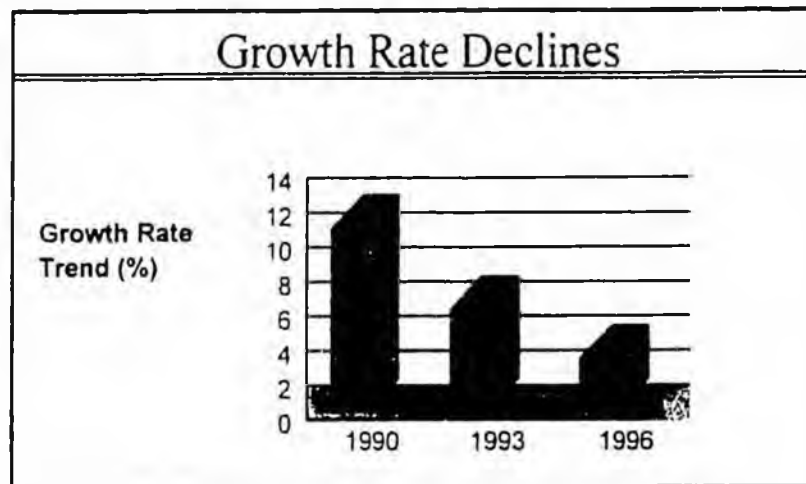
Since 1989, state funding for tourism programs has declined nearly 60 percent, from \$15 million in FY90 to under \$6.7 million in FY99. At the same time, other states have *increased* their tourism promotion by 26 percent in the last five years.

Top 27 State Tourism Budgets, 1998



Growth Rate is Declining

Alaska's relative decline in marketing competitiveness is being felt within the industry. While overall visitor numbers have continued to rise, the rate of growth has slowed. Some segments of the industry, most notably highway-dependent businesses, have felt the first effects of decline.



Visitor Industry Taxes and Fees Increase

Between 1992 and 1995, state taxes paid by visitors and visitor industry businesses increased by 99 percent, fees by 62 percent, and other revenue assessments by 6 percent. Despite these increases, general fund dollars going back to the industry *decreased* by over \$2 million – the equivalent of a 24 percent decrease during the same period of time.

Industry Attitudes Surveyed

The AVA surveyed its members in July 1997 to gauge the opinions and attitudes toward various funding and organization scenarios. As a result of this survey, four general points of agreement were clear:

- Members strongly believe a statewide tourism marketing program is needed.
- Members strongly believe the state has a role to play in providing funds for tourism promotion.
- Members oppose additional taxes focused on the visitor industry for the purpose of funding general government.
- Two out of three members believe some sort of assessment or fee should be used to support tourism marketing, although there is no consensus about what specific option should be implemented.

Developing A Concept

After researching funding alternatives and studying the survey results, the AVA board of directors contacted convention & visitors bureaus, government officials, and other industry leaders for input and ideas. When all of this information was taken into account, an outline of what was desired emerged. A plan was designed to accomplish the following:

- Shift marketing efforts to a private entity that combines the activities of the Division of Tourism and Alaska Tourism Marketing Council
- Return Alaska's marketing efforts to a competitive position
- Reach a goal of \$10 million for marketing
- Utilize pay-to-play programs
- Increase private sector funding while state general funds decrease under a phased-in approach
- Increase participation from businesses

New Millennium Plan Takes Shape

This concept was first presented to 650 industry members during the October 1997 AVA convention. There was general consensus for the proposal as outlined, both during the meeting and in follow-up questionnaires. Convention & visitors bureaus, tourism associations, chambers of commerce, and other organizations arranged meetings to distribute and debate the proposal. The administration and members of the Legislature were briefed and the details of the proposal were published in AVA's newsletter and other print media statewide. A number of changes were made to the draft based on feedback.

In January 1998 a revised plan was mailed to 3,000 tourism businesses statewide in order for them to determine if the plan should be further developed for presentation to the Legislature. Eighty-five percent of respondents recommended moving forward with the plan.

Legislation to implement much of the plan was introduced in 1998 and was passed by both the House and Senate, but failed to reach a final concurrence vote. The industry continued to actively support the legislation, communicating support to their legislators and AVA. A transition team formed in July 1998 to begin working on the details of implementing the plan. The team presented proposed changes to the 1998 AVA convention delegation and, based on their feedback, revised the plan to this present form for increased industry distribution and comment throughout the fall/early winter of 1998/1999.

Community	%	Estimated Contribution FY01	Estimated Contribution FY02	Estimated Contribution FY03
Anchorage	32%	\$160,000	\$240,000	\$400,000
Fairbanks	9%	45,000	67,500	112,500
Juneau	8%	40,000	60,000	100,000
Denali	6%	30,000	45,000	75,000
Ketchikan	5%	25,000	37,500	62,500
Skagway	5%	25,000	37,500	62,500
Kenai / Soldotna	3%	15,000	22,500	37,500
Sitka	2%	10,000	15,000	25,000
Homer	2%	10,000	15,000	25,000
Seward	2%	10,000	15,000	25,000
Valdez	2%	10,000	15,000	25,000
Other Communities*	24% combined			

*Individual community percentages not available, but each receives less than 2 percent of total visitor expenditures

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB107(FIN) revisi

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
 Title An Act relating to tourism and tourim marketing; eliminating the ATMC BRU Tourism
 Component Tourism Development
 Sponsor Mackie ATMC
 Requester House Finance Component Serial No. 1026

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	216.8	0.0	0.0	0.0	0.0	0.0
Travel	53.4	0.0	0.0	0.0	0.0	0.0
Contractual	4,361.1	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	4,631.3	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0					
-----------------------------	------------	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	3,331.4					
1005 GF/Program Receipts	1,299.9					
1037 GF/Mental Health						
Other						
TOTAL	4,631.3	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time		(3)	(3)	(3)	(3)	(3)
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Tom Lawson, Director Phone 465-2506
 Division Administrative Services Date/Time 4/30/99 12:48 PM
 Approved by Commissioner Deborah B. DeSnick Date 4/30/99
 Agency Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. CSSB107 (FIN) revis

Revision Date/Time (Note if correction) _____ Dept. Affected DCED
 Title An Act relating to tourism and tourism marketing; BRU Tourism
eliminating the ATMC Component Tourism Development
 Sponsor Mackie
 Requester House Finance Component Serial No. 2278

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	673.6	569.2	569.2	569.2	569.2	569.2
Travel	71.1	68.1	68.1	68.1	68.1	68.1
Contractual	1,381.2	4,634.2	4,134.2	3,634.2	3,634.2	3,634.2
Supplies	12.0	12.0	12.0	12.0	12.0	12.0
Equipment						
Land & Structures						
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous						
TOTAL OPERATING	2,197.9	5,343.5	4,843.5	4,343.5	4,343.5	4,343.5

CAPITAL EXPENDITURES	0.0					
-----------------------------	------------	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2,103.0	5,343.5	4,843.5	4,343.5	4,343.5	4,343.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Stat. Designated PR	94.9	0.0	0.0	0.0	0.0	0.0
TOTAL	2,197.9	5,343.5	4,843.5	4,343.5	4,343.5	4,343.5

Estimate of any current year (FY99) cc 2,197.9

POSITIONS

Full-time	11	8	8	8	8	8
Part-time	3	3	3	3	3	3
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Eliminates 3 positions in the Division of Tourism Inquiry Section in FY01.

This fiscal note is based on current levels of state funding for tourism development and marketing and changes envisioned in the "New Millennium Plan".

Includes one time contractual cost of 20.0 in FY00 to conduct a feasibility study on the contracting out of the inquiry section function, "determining the potential costs and benefits which would result from contracting out the work in question," per Article 13 of the GGU Agreement.

For FY2000, there is a separate fiscal note for the ATMC.

Prepared by Tom Lawson, Director Phone 465-2506
 Division Administrative Services Date/Time 4/30/99 12:56 PM
 Approved by Commissioner Deborah B. Medwick Date 4/30/99
 Agency Commerce and Economic Development

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**Alaska Department of Commerce and Economic Development, Division of Tourism
SB 107/HB 136 Fiscal Note Details**

	FY 2001	FY02	FY03	FY04	FY05
Personal Services	569.2 Reduction of \$321.2 from FY00 Division and ATMC.	569.2	569.2	569.2	569.2
Tok APLIC					
Admin Clerk I	13.9 Part time	13.9	13.9	13.9	13.9
Admin Clerk I	13.6 Part time	13.6	13.6	13.6	13.6
Admin Clerk I	15.3 Part time	15.3	15.3	15.3	15.3
Admin Clerk III	50.5 Full time	50.5	50.5	50.5	50.5
Juneau					
Director	98.4	98.4	98.4	98.4	98.4
Admin Manager I	48.4 Share w/ DTD	48.4	48.4	48.4	48.4
Secretary I	38.4 Share w/ DTD	38.4	38.4	38.4	38.4
Dev Spec I	72.3 See attached sheet for descriptions and activities of these four positions.	72.3	72.3	72.3	72.3
Dev Spec I	72.6	72.6	72.6	72.6	72.6
Proj. Asst.	54.7	54.7	54.7	54.7	54.7
Proj. Asst.	54.7	54.7	54.7	54.7	54.7
Pub. Specialist	36.4 More than 50% shared & funded by other divisions and independent agencies	36.4	36.4	36.4	36.4
Travel	68.1 Travel throughout Alaska for 5 professional staff to support community tourism development, meet with other state and federal counterparts; a \$56.1 reduction from FY00 for DOT & ATMC 7 professional staff.	68.1	68.1	68.1	68.1
Grants	60.0 Rural Tourism Center	60.0	60.0	60.0	60.0
Supplies	12.0 Office and data processing supplies in Juneau and Tok offices.	12.0	12.0	12.0	12.0
Contractual					
Tourism North	331.0 Alaska's contribution to the cooperative highway promotion program with the Yukon and British Columbia.	331.0	331.0	331.0	331.0
N. American Travel Trade	47.3 Work with Alaska tour operators and suppliers, destinations, and travel agents to increase Alaska travel experiences in tour offerings.	47.3	47.3	47.3	47.3
International	640.0 Contract representatives in Japan, Korea, Taiwan, Australia, United Kingdom and Western Europe.	640.0	640.0	640.0	640.0
Research	195.4 Annual conversion study and annualized Alaska Visitor Statistics Program	195.4	195.4	195.4	195.4
Fixed costs	385.1 Chargebacks, leases, phone, printing. Reduced \$153.3 from FY00.	385.1	385.1	385.1	385.1
Subtotal, all contractual	4,634.2	4,134.2	3,634.2	3,634.2	3,634.2
Total Tourism	5,343.5	4,843.5	4,343.5	4,343.5	4,343.5

*A portion of Division contractual is transferred to the QTA assuming they agree to conduct those marketing components. The subtotal increases because research previously part of the ATMC budget is transferred to the Division. FY99 and FY00 ATMC state contribution is \$3,335.4; 25% industry contribution/PR is \$1,299.9.4; industry contribution is taken off budget beginning FY01. Total FY99 and FY00 state funding for tourism is \$5,533.3. Per the Millennium Plan, the State's contribution is reduced approximately \$300.0 in FY01 and \$500.0 each year in FY02 and FY03 and then stabilizes.

**Division of Tourism
State Tourism Development and Coordination**

Purpose

The purpose of these four professional positions is to assist Alaska businesses and communities in developing opportunities in the tourism industry. This is accomplished by providing a range of expertise in the fields of business and management in order to enhance, stabilize and diversify the economy, thereby creating opportunities for Alaskans. In order to address prior year budget reductions, two higher range positions were reclassified to project assistants. Pairs comprised of one development specialist and one project assistant work together to more effectively accomplish the large workload at a lower cost. One pair focuses on planning, transportation and access, and working with other state and federal agencies. The other pair focuses on assisting small businesses and communities develop products. Some of the major activities of the four professional positions are described below.

1) Development Specialist and Project Assistant

- Consult with small businesses and communities on tourism development opportunities including feasibility studies for implementation of a tourism program based on limited community resources.
- Work with convention and visitor bureaus statewide, providing technical assistance, coop-marketing opportunities cross promotion, and membership meetings/consultation.
- Provide technical assistance to communities, nonprofit organizations, and individual businesses desiring guidance in the development and implementation of economic development programs related to tourism.
- Provide technical assistance by meeting with the private sector to discuss proposals for tourism attractions and facilities on public lands
- Serve as counsel, on development issues, to public and private sectors of the visitor industry. This includes Convention and Visitors Bureaus, Chambers of Commerce, various State offices, trade associations, and the industry representatives.
- Analyze and address the potential for economic development created by tourism throughout the state, coordinate with federal and state agencies, and work with community groups and private sector organizations to expand the visitor industry.
- Participate in land use decision-making processes to insure consideration of tourism issues; serve as a liaison to other public agencies whose activities affect division functions and to discuss proposals for tourism attractions and facilities with those agencies.

- Liaison to the Rural Tourism Center.

2) Development Specialist and Project Assistant

- Work with existing businesses in developing new tourism products and new or improved offerings, and getting more exposure in key markets.
- Coordinate with the State of Alaska's overseas trade contractors in Japan, Korea and Taiwan to increase exposure of rural Alaska tourism opportunities and rural Alaska arts and crafts export products. Assist in the produce of informational materials about rural tourism and export products in the language of the host countries and promotional activities. Alaska's overseas contractors can facilitate the opening of rural Alaska to more commerce with the major Asian markets.
- Coordination of Top of the World (Alaska) travel agent training to train travel agents and wholesale packagers of Alaska travel products.
- Coordination of Alaska Travel Fair where wholesale packagers are brought to Alaska to meet with small businesses that can not afford to attend trade show or travel on trade missions. The most recent fair provided Alaska businesses access to more than 50 tour operators from Europe, North America, Asia and Australia/New Zealand.
- Primary contact for North American tour operators offering Alaska tour products; provide referrals to businesses in Alaska.
- Meet regularly with key decision makers in the international tourism markets, including tour operators, airline officials, and government agencies, regarding the development and promotion of Alaska as a visitor destination.
- Assist in developing business plans, feasibility analyses, and funding packages leading to the development of new or upgraded visitor attraction/activity/destination in Alaska.
- Oversee contracts for tourism research including the Alaska Visitor Statistics Program.
- Coordinates development efforts for direct air service, supports promotional campaigns for increased highway traffic, cruise ship capacity, Alaska Railroad and Alaska Marine Highway utilization. These are executed in coordination with Alaska's foreign offices as well as working closely and cooperatively with Alaska convention and visitor bureaus, trade associations, and other destination marketing organizations.
- Work cooperatively with airlines worldwide is required of this position to develop new and improved access to Alaska.

- Maintain resource library on domestic and international tourism data, contacts and materials.
- Serve on the Visitor Center Committee overseeing the operation of the Alaska Public Lands Information Centers (APLIC). This also involves planning exhibits, training staff, and coordinating projects that serve visitors.