



STATE OF WYOMING

085

Agency Number

2007-2008

BIENNIUM BUDGET REQUEST

WYOMING BUSINESS COUNCIL

Agency Name

The information in this budget request has been developed in accordance with the agency plan prepared according to W.S. 28-1-115 & 28-1-116 [W.S. 9-2-1011(b)(vi)]. Submitted by:

Signature _____

Name _____

Title _____

Person(s) responsible for the preparation of this budget:

TABLE OF CONTENTS

<u>085 - WYOMING BUSINESS COUNCIL</u>	<u>PAGE</u>
AGENCY BUDGET SUMMARY TABLE	3
AGENCY NARRATIVE.....	4
0100 - WYOMING BUSINESS COUNCIL	7
0101 - WYOMING BUSINESS COUNCIL NARRATIVE.....	8
0101 - WYOMING BUSINESS COUNCIL BUDGET REQUEST	23
0102 - AERONAUTICS COMMISSION BUDGET REQUEST	26
0103 - BUSINESS COUNCIL STATE ENERGY PROGRAM BUDGET REQUEST	27
0104 - COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET REQUEST	28
2100 - TOURISM.....	29
2102 - TOURISM NARRATIVE.....	30
2102 - TOURISM BUDGET REQUEST	48
7000 - WELCOME CENTERS - BUDGET REQUEST	50
7001 - WELCOME CENTERS - NARRATIVE.....	51
7001 - WELCOME CENTERS - BUDGET REQUEST	55

Agency Name: WYOMING BUSINESS COUNCIL		Agency Number: 085					
1	2	3	4	5	6	7	
Appropriation Organization	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation	
Code							
APPROPRIATION ORGANIZATION							
WYOMING BUSINESS COUNCIL	0100	62,830,775	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003
TOURISM	2100	17,495,023	14,194,528	11,013,922	25,208,450	(1,019,922)	24,188,528
WELCOME CENTERS	7000	0	0	19,970,434	19,970,434	(9,970,434)	10,000,000
TOTAL BY APPROPRIATION ORG		80,325,798	57,222,312	67,752,975	124,975,287	10,041,244	135,016,531
OBJECT SERIES							
PERSONAL SERVICES	0100	8,751,480	9,830,594	1,222,022	11,052,616	(1,066,522)	9,986,094
SUPPORTIVE SERVICES	0200	5,534,724	3,422,937	1,576,140	4,999,077	(871,600)	4,127,477
RESTRICTIVE SERVICES	0300	46,226	0	0	0	0	0
CENT. SERV./DATA SERV.	0400	339,907	320,714	53,200	373,914	(50,200)	323,714
GRANTS & AID PAYMENT	0600	21,760,837	26,317,926	34,400,000	60,717,926	22,600,000	83,317,926
CAPITAL EXPENDITURES	0700	55,000	0	19,970,434	19,970,434	(9,970,434)	10,000,000
NON-OPERATING EXPENDITURES	0800	0	0	2,930,000	2,930,000	0	2,930,000
CONTRACTUAL SERVICES	0900	43,837,624	17,330,141	7,601,179	24,931,320	(600,000)	24,331,320
TOTAL BY OBJECT SERIES		80,325,798	57,222,312	67,752,975	124,975,287	10,041,244	135,016,531
SOURCES OF FUNDING							
GENERAL FUND	G	69,972,525	47,619,039	67,752,975	115,372,014	10,041,244	125,413,258
FEDERAL FUNDS	X	7,844,061	7,844,061	0	7,844,061	0	7,844,061
OTHER FUNDS	Z	2,509,212	1,759,212	0	1,759,212	0	1,759,212
TOTAL BY FUNDS		80,325,798	57,222,312	67,752,975	124,975,287	10,041,244	135,016,531
AUTHORIZED EMPLOYEES							
FULL TIME EMPLOYEE COUNT			0	0	0	0	0
TOTAL AUTHORIZED EMPLOYEES			0	0	0	0	0

SECTION 1. AGENCY STATUTORY AUTHORITY

W.S. 9-12-101 through 9-12-113	General
W.S. 9-12-201 through 9-12-202	Science, Technology and Energy Financial Aid
W.S. 9-12-301 through 9-12-307	Partnership Challenge Loan Program
W.S. 9-12-501 through 9-12-502	Council for Women's Issues
W.S. 9-12-601 through 9-12-603	Business Ready Communities Program
W.S. 9-12-801 through 9-12-804	Community Facilities Program
W.S. 9-4-701	Investment of State Funds
W.S. 11-34-303	Area Redevelopment Loans
W.S. 21-18-104	Small Business Development Centers
W.S. 35-12-110	Industrial Facility Permitting
W.S. 37-5-103	Natural Gas Pipeline Authority
W.S. 40-11-102	Foreign Trade Zones

SECTION 2. QUALITY OF LIFE RESULT

Wyoming has a diverse economy that provides a livable income and ensures wage equality.

Wyoming values the unique aspects of its western heritage, providing residents and visitors expanding access to cultural, historical and recreational experiences.

SECTION 3. CONTRIBUTION TO WYO QUALITY OF LIFE

Facilitate the growth and diversity of businesses and jobs in the state.

Promote and facilitate increased tourism-related travel to and within the state.

SECTION 4. BASIC FACTS

The 2005-06 biennium budget for the Business Council (Council) totals \$84.9M, excluding B11s. This budget is funded through general funds (\$74.6M), federal funds (\$7.8M), and other funds (\$2.5M). The Council has 65 full time employees.

The primary programs of the Council are:

Community assistance	Programs that help build attractive, high quality-of-life communities
Business assistance	Programs that help existing businesses and recruit new ones
Travel and tourism	Programs that increase tourism-related travel

SECTION 5 PERFORMANCE MEASURES

Performance measure #1

Growth of the gross state product in amount and diversity

Performance measure #2

Growth of the workforce in number of jobs and median household income

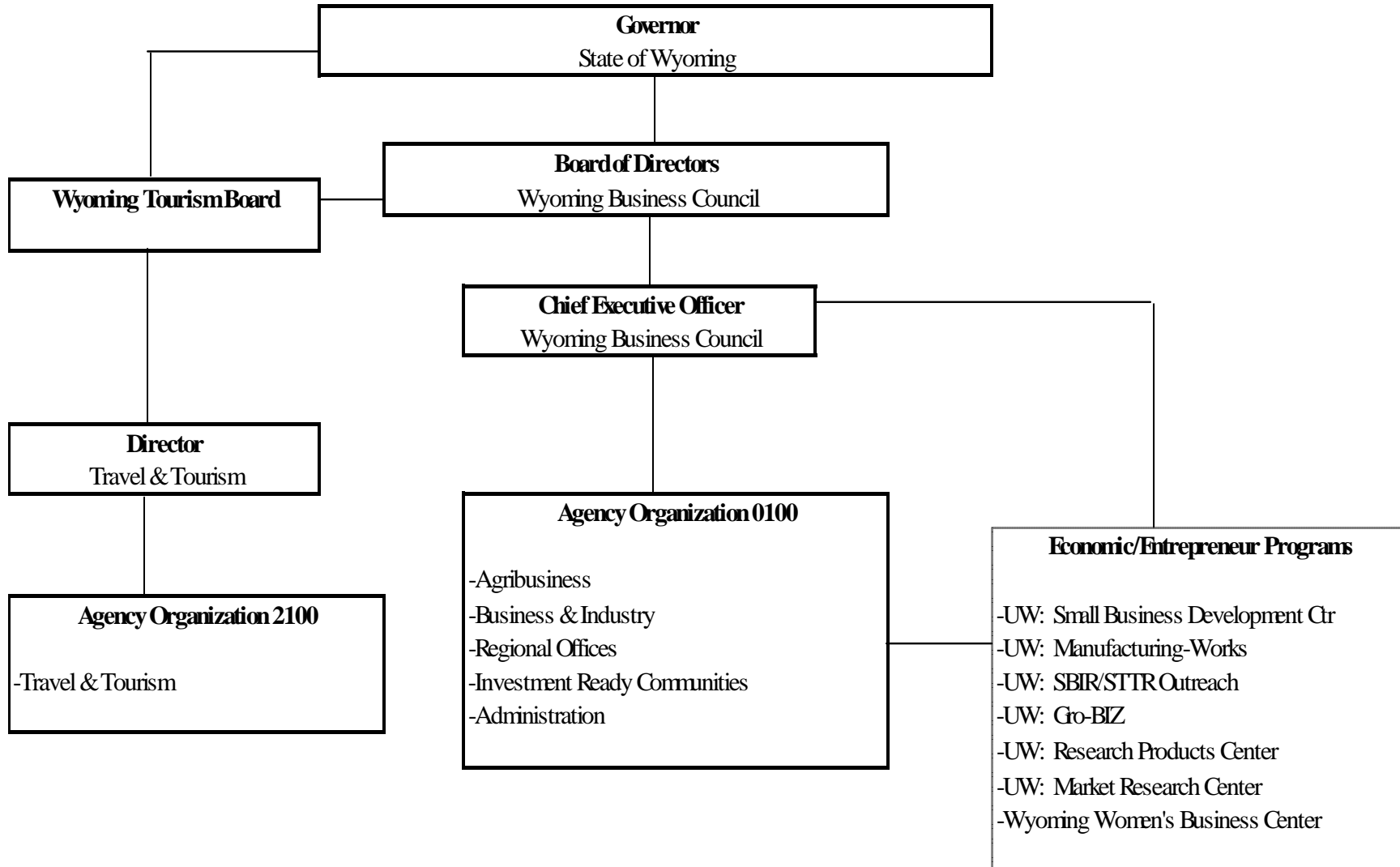
Performance measure #3

Decrease in the wage gap between women and men

Performance measure #4

Growth of the number of overnight travel visitors

SECTION 6. AGENCY ORGANIZATION



APPROPRIATION ORGANIZATION BUDGET REQUEST SUMMARY TABLE

1		2	3	4	5	6	7
Description		Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENSE ORGANIZATION							
WYOMING BUSINESS COUNCIL	0101	54,826,162	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003
AERONAUTICS COMMISSION	0102	160,552	0	0	0	0	0
BUSINESS COUNCIL STATE ENERGY PROGRAM	0103	616,794	0	0	0	0	0
COMMUNITY DEVELOPMENT BLOCK GRANT	0104	7,227,267	0	0	0	0	0
TOTAL BY EXPENSE ORG		62,830,775	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003
OBJECT SERIES							
PERSONAL SERVICES	0100	6,643,615	7,239,700	894,600	8,134,300	(894,600)	7,239,700
SUPPORTIVE SERVICES	0200	2,179,144	2,254,457	485,640	2,740,097	(459,600)	2,280,497
RESTRICTIVE SERVICES	0300	46,226	0	0	0	0	0
CENT. SERV./DATA SERV.	0400	263,323	241,154	34,200	275,354	(34,200)	241,154
GRANTS & AID PAYMENT	0600	21,760,837	26,317,926	34,400,000	60,717,926	22,600,000	83,317,926
NON-OPERATING EXPENDITURES	0800	0	0	0	0	0	0
CONTRACTUAL SERVICES	0900	31,937,630	6,974,547	954,179	7,928,726	(180,000)	7,748,726
TOTAL BY OBJECT SERIES		62,830,775	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003
SOURCES OF FUNDING							
AGENCY FUND	A	0	0	0	0	0	0
ENTERPRISE FUND	E	1,140,876	1,140,876	0	1,140,876	0	1,140,876
GENERAL FUND	G	53,231,102	33,428,111	36,768,619	70,196,730	21,031,600	91,228,330
INTERNAL FUND	I	0	0	0	0	0	0
SPECIAL REVENUE	R	614,736	614,736	0	614,736	0	614,736
EXPENDABLE TRUST	T	0	0	0	0	0	0
FEDERAL FUNDS	X	7,844,061	7,844,061	0	7,844,061	0	7,844,061
TOTAL BY FUNDS		62,830,775	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003
AUTHORIZED EMPLOYEES							
FULL TIME EMPLOYEE COUNT			0	0	0	0	0
TOTAL AUTHORIZED EMPLOYEES			0	0	0	0	0

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

SECTION 1. EXP. ORG STATUTORY AUTHORITY

- W.S. 9-12-101 through 9-12-106 General
- W.S. 9-12-108 through 9-12-113 General
- W.S. 9-12-201 through 9-12-202 Science, Technology and Energy Financial Aid
- W.S. 9-12-301 through 9-12-307 Partnership Challenge Loan Program
- W.S. 9-12-501 through 9-12-502 Council for Women’s Issues
- W.S. 9-12-601 through 9-12-603 Business Ready Community Program
- W.S. 9-12-801 through 9-12-804 Community Facilities Program
- W.S. 9-4-701 Investment of State Funds
- W.S. 11-34-303 Area Redevelopment Loans
- W.S. 21-18-104 Small Business Development Centers
- W.S. 35-12-110 Industrial Facility Permitting
- W.S. 37-5-103 Natural Gas Pipeline Authority
- W.S. 40-11-102 Foreign Trade Zones

SECTION 2. STANDARD BUDGET REQUEST

Part A. Narrative

The Council was formed to address a statewide initiative to grow and diversify businesses and jobs in the state. To achieve this mission, the Council (1) helps communities by funding infrastructure improvements; (2) provides programs to assist existing businesses to grow and remain in business; and (3) recruits new businesses to the state.

The Council’s programs offer financial, research, analytical and professional tools that serve businesses, industries and communities throughout the state. Six regional offices provide localized support through a combination of professional experts. Additionally, through contracts with the University of Wyoming, professional associations, and local and regional economic development groups, the Business Council identifies ways to improve and strengthen Wyoming’s economy.

Wyoming’s prior attempts to grow its economy focused on underwriting high-risk ventures - a short-term plan that did not work. The long-term plan invests state and federal dollars into cities, towns and counties to provide physical infrastructure that will assist expansion of existing Wyoming businesses and attract new businesses. Large, medium and small communities are building infrastructure to grow their economies.

Many economic plans focus on recruiting new businesses to a state/community. This strategy by itself was ineffective in Wyoming. We have and will continue to concentrate on the tools to help the businesses already in Wyoming to stay in the state and grow jobs. For example, the Market Research Center was formed to

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

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AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

provide businesses in the state with world-class marketing assistance to identify and define where they can sell more of their products and services. No other state has this powerful tool to help business growth.

The Business Council has 46 full time positions.

Part B. Revenue

Expenditures made by the Business Council were made from the following revenue sources for the following bienniums (amounts exclude intra-agency transfers for the business ready community and community facilities programs):

	<u>2003/04</u> (actual)	<u>2005/06</u> (estimated)
General Fund	\$10,701,946	\$14,739,019
Federal Funds	\$ 102,246 (a)	\$ 8,302,423 (e)
Special Revenue Funds	\$ 2,720,867 (b)	\$55,523,428 (b)
Budget Reserve Fund	\$ 34,041 (c)	\$ 2,465,959 (c)
Other Funds	\$ 107,849 (d)	\$ 109,550 (d)
Total	\$13,666,949	\$81,140,379

- (a) One-time grant from the U.S. Department of Agriculture.
- (b) Amounts paid from the following sources:
 - 1. Principal repayments and interest income on outstanding loans; future revenues from these sources are dependent upon the amount of outstanding loans.
 - 2. Cash balances and the interest income earned on the cash investments of certain special revenue funds; interest income is dependent upon the cash balance in those funds that are credited for this income.
 - 3. Amounts appropriated for the business ready communities and community facilities funds; future funding for these programs are dependent upon actions by the Legislature.
- (c) Amounts appropriated for the air service enhancement program. As of July 1, 2005 this program was transferred to the Aeronautics Division of the Wyoming Department of Transportation.
- (d) Revenues received from a variety of sources that are neither state nor federal dollars; we estimate that these are ongoing sources of revenues.
- (e) Funding from the U.S. Department of Housing and Urban Development and from the U.S. Department of Energy for the Community Development Block Grant (CDBG) and the State Energy Programs, respectively. The federal government has proposed significant changes to the CDBG program and it is unclear at

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

this time how or if the funding levels will change.

GOVERNOR'S RECOMMENDATION

I am recommending approval of the Standard Budget Request as submitted.

Pursuant to the provisions of Chapter 233 (2005 Session Laws), I am also recommending an increase of \$7,500,000 for the Community Facilities Program. I believe additional funding is necessary to properly address program requirements.

SECTION 3. EXCEPTION BUDGET REQUEST

1. PRIORITY #1 - BUSINESS READY COMMUNITIES

A. EXPLANATION OF REQUEST: Increase funding from standard budget amount of \$11,600,000 to \$46,000,000 for the biennium: an increase of \$34,400,000.

The business ready community grant and loan program (BRC) was established in 2003 to finance publicly owned economic development infrastructure using grants and loans in order to create additional economic health and a stronger state economy. The program was initially envisioned at \$15,000,000 per year to invest in infrastructure to prepare communities for job growth. A total of \$45,000,000 has been appropriated by the Legislature over the last three years; meeting that initial goal of \$15,000,000 per year. The actual demand for economic development projects has exceeded this amount and the Council requests the funding necessary to take the program to \$23,000,000 for each year of the biennium.

As of June 2005, 35 grants have been awarded which total \$43,314,124:

1. Business committed - 7 grants totaling \$18,073,514. These are infrastructure projects where an applicant has a business committed to expand or locate in the community.
2. Community readiness - 23 grants totaling \$24,245,805. Under these projects, the community builds infrastructure to ready itself for new business development under a specific strategy or plan of action; for example, development of a business or industrial park.
3. Community enhancement - 5 grants totaling \$994,805. These projects help improve the community's aesthetic character or quality of life in order to make itself more attractive for business development.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

1.	0626 - Grants	<u>\$34,400,000</u>	
	TOTAL	\$34,400,000	100% General Fund

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

C. PERFORMANCE JUSTIFICATION: The BRC program contributes to a diverse economy by assisting communities with the funding of community and business development infrastructure projects. Quality of life enhancement projects funded by this program also help Wyoming families by contributing to the overall vitality of the communities they live in. Many communities are still in the early stages of developing appropriate economic development plans for which BRC can help implement through infrastructure. Additional funding for the program is necessary for the economic viability of Wyoming's communities and a strong, diverse state economy. Here is one example: Cody was awarded \$197,842 to put increased water and electrical service along Big Horn Avenue. Fremont Motors built a bigger dealership adding 10 more employees. Neighboring business Crum Electric has doubled their capacity, and a private developer at the end of the new infrastructure improvements is developing a small business park. Woodward Tractor purchased the former Fremont Motors site for their expansion. The original Woodward site has in turn been purchased by two other local businesses, Theil Cabinet Company and Filner Construction, for their expansion and relocation. The grant precipitated movement/expansion of 6 businesses, showing pent up demand that was limited by the inability of the community to pay for the entire infrastructure.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

In addition, I am recommending \$15,000,000 General Fund for the Gillette Vocational Training Center.

I am also recommending the following footnote:

"Notwithstanding any other provision of law, there is appropriated \$15,000,000 to the business council to be administered through the business ready community program for a grant to the City of Gillette for a vocational training center. In order for the grant to occur, the city must have in place at least \$15,000,000 in matching funds, an arrangement for education services provided by the Northern Wyoming Community College District and a plan for maintenance of the building. The grant under this footnote shall not be subject to approval by the state loan and investment board pursuant to W. S. 9-12-601."

At the request of the Council, I am also recommending an appropriation of \$100,000 for continued support of business development on the Wind River Reservation. The funds will provide for the maintenance of contractual arrangements with the Wind River Development Fund and represent on-going efforts to provide economic development support to the Tribal Councils. These needs were not included in the initial biennium budget request.

2. PRIORITY #2 - MATCH STATE AND UNIVERSITY SALARY AND FRINGE BENEFITS FOR EMPLOYEES IN THE ECONOMIC DEVELOPMENT OUTREACH PROGRAMS MANAGED BY THE UNIVERSITY OF WYOMING

A. EXPLANATION OF REQUEST: Businesses and citizens throughout the state benefit from the economic development outreach programs run in partnership between the Wyoming Business Council, the University of Wyoming and several federal agencies. This request provides salary and related benefits increases to employees who deliver these services, including an increase in health care costs. All employees in these programs are University of Wyoming employees whose salary resides in Section II (salaries funded by external contracts and grants) of the University budget. Thus they do not participate in the

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

University “block grant” and are not covered by Executive Branch salary increases. When state pay raises occur, these employees must receive their increase in pay and benefits through the Wyoming Business Council (the granting agency) and the specific participating federal agency. This request includes employees in the Small Business Development Center, Manufacturing-Works (formerly MAMTC), the Research Products Center, GRO-Biz and the Market Research Center. There are currently 33 employees in these organizations.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$334,359</u>	
	TOTAL	\$334,359	100% General Fund

C. PERFORMANCE JUSTIFICATION: This request keeps these employees comparable in salary and benefits to all state and University employees. Of particular importance is comparability for health insurance. All programs are required to keep performance statistics either by their federal partner or by the University and Business Council. The most important two statistics are: 1) infusion of funds into the Wyoming economy; and 2) the number of jobs created or retained. These programs also track the number of hours spent with clients, number of clients, and the specific programs brought to various client groups.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

3. PRIORITY #3 - REGIONAL OFFICES

A. EXPLANATION OF REQUEST: Increase by one the staff in each of the six Regional Offices. The Business Council has six Regional Offices around the State to maintain open communications and positive and personal “face to face” relationships that support Wyoming’s communities, businesses, and citizenry. These offices function as a primary contact point and physical presence in the different geographic and economic regions of the State. The Regional Office personnel, in partnership with other Business Council supported programs such as the Small Business Development Centers, Manufacturing-Works representatives, and in many cases local Economic Development groups, afford communities, businesses, entrepreneurs, with the localized expertise, information, access, and leadership necessary to improve their economic, personal, and community quality of life. The Regional Offices literally provide the conduit to bring the assets and resources of the Wyoming Business Council and its partners to the communities and citizens of the State.

The plan is to place the new staff member in the existing Region but in a second office location to better serve all the counties.

<u>Current Regions</u>	<u>Current Office Location</u>	<u>Second Office Location</u>
1. Natrona, Converse, Niobrara, Platte	Casper	Wheatland or Torrington*
2. Sheridan, Johnson, Campbell, Crook, Weston	Gillette	Newcastle

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

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| 3. Big horn Washakie, Park, Hot Springs | Powell | Worland or Thermopolis* |
| 4. Fremont, Sublette, Teton** | Riverton | Jackson |
| 5. Lincoln, Uinta, Sweetwater** | Rock Springs | Evanston or Kemmerer* |
| 6. Carbon, Albany, Laramie, Goshen | Cheyenne | Rawlins or Saratoga* |

Notes: * Placement of the second office would vary depending on the person hired.

** With the addition of the persons to Region 4 and 5 we would assign North Lincoln County to Region 4 and continue South Lincoln County in Region 5

This request is for six (6) full time positions. In addition to salaries, employer paid benefits and on-going support costs (\$117,700 per position per year), one-time funding is requested to purchase permanently assigned motor pool vehicles (\$90,000), office furniture & equipment (\$24,000), computer equipment (\$15,000) and funding to recruit and move the new employees (\$27,000).

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

- | | | |
|-----|--------------------------------------|------------|
| 1. | 0103 - Salaries | \$ 600,000 |
| 2. | 0105 - Benefits | \$ 294,600 |
| 3. | 0204 - Postage & freight | \$ 7,200 |
| 4. | 0207 - Dues, training & registration | \$ 30,000 |
| 5. | 0208 - Advertising & promotion | \$ 28,800 |
| 6. | 0210 - Miscellaneous | \$ 6,000 |
| 7. | 0221 - In state travel | \$ 48,000 |
| 8. | 0222 - Out of state travel | \$ 42,000 |
| 9. | 0223 - Permanently assigned vehicles | \$ 72,000 |
| 10. | 0224 - Employee moving | \$ 27,000 |
| 11. | 0227 - Host expenses | \$ 18,000 |
| 12. | 0231 - Office supplies & printing | \$ 14,400 |
| 13. | 0241 - Office furniture & equip | \$ 24,000 |
| 14. | 0242 - Computer equipment | \$ 15,000 |
| 15. | 0243 - Passenger cars | \$ 90,000 |
| 16. | 0251 - Real property costs | \$ 37,200 |
| 17. | 0410 - A&I data processing | \$ 5,400 |
| 18. | 0420 - A&I phone | \$ 28,800 |
| 19. | 0901 - Professional fees | \$ 180,000 |

TOTAL **\$1,568,400** **100% General Fund**

C. PERFORMANCE JUSTIFICATION: The additional person in each office will:

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

1. Expand ability to respond to demand and deliver essential support to communities, regions, and individual businesses by assessing Regional workloads and responding to need with increased manpower in the field, programs, and workload distribution.
2. Maintain and grow relationships and sustain them by retaining personal trust relationships already established between regional directors and constituency.
3. Expand Regional Directors ability to respond and support local projects, while maintaining accountability, via increased discretionary fund capability.
4. Explore opportunities and feasibility of potential office location(s) in adjoining major markets for utilizations including labor force recruitment, industry recruitment, existing industry market expansion, Wyoming local EDC utilization, shared utilization with relevant Business Council Divisions and Departments, i.e. Tourism promotion.
5. Encourage and support continuing education of Regional Directors in various venues relevant to their talents and expertise, thus increasing their net value to the Wyoming community.
6. Utilize the individual talents of the Regional Directors on a shared basis with other Business Council Divisions, State Divisions, Partners, and on cross-regional projects in need of their particular expertise.

GOVERNOR'S RECOMMENDATION

I recommend denial \$1,568,400 for the six (6) full time positions and the costs associated with these positions.

4. PRIORITY #4 - BUSINESS RECRUITMENT

A. EXPLANATION OF REQUEST: In addition to providing expertise and support for existing business interests in the state, the recruitment of new business to Wyoming provides improved employment opportunities to its citizens. Such recruitment efforts include 1) development of business contacts, leads and prospects for potential expansion or relocation of capabilities to the state, and 2) development of technology transfer opportunities with national and international technology and research institutions. This request will provide funding for a \$300,000 contract that will expand the Council's business recruitment efforts by focusing on these two elements.

Personal introductions and contacts are the most important methods to recruit companies. As a result of the many recruiting visits made by Business Council staff throughout the nation, we have concluded that the best opportunity for recruitment of new business to Wyoming is located in the front-range region of the Rocky Mountains. Outsourcing to a company that has extensive and diverse business networking contacts and who can facilitate beneficial business relationships with

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

U.S. and European research and technology companies provides the greatest value to target business recruitment efforts.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$300,000</u>	
	TOTAL	\$300,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Council's recruitment efforts in the past have been relegated to a lesser focus than internal development. The state also has an economic interest in the success of the soon-to-be constructed business incubator associated with the University of Wyoming which can benefit from this effort. Successful recruitment of new businesses to the state results in improved employment opportunities and income growth for Wyoming's citizens. Funding for this effort is needed to enhance the Council's business recruitment efforts.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

5. PRIORITY #5 - VEHICLE COSTS

A. EXPLANATION OF REQUEST: Increase funding for Business Council permanently assigned vehicles due to increases in charges from A&I and additional funds for economic development outreach programs managed by the University of Wyoming due to rising fuel costs.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

1.	0223 - Perm Assigned Vehicles	\$26,040	
2.	0901 - Professional Services	<u>\$49,820</u>	
	TOTAL	\$75,860	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Business Council's job is "on the road" helping businesses and people throughout the state. Employees drive approximately 250,000 miles a year in the Council's permanently assigned vehicles in direct support to citizens throughout the state. The \$26,040 permanently assigned vehicle cost is the increase identified by A&I for our current operation. Rising vehicle charges and fuel prices also impact the economic development programs managed by the University of Wyoming and their ability to maintain the level of service that they have provided in the past. The total estimated increase for these programs totals \$49,820.

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

6. PRIORITY #6 - UW/WYOMING SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER (WSSI) OUTREACH COORDINATOR

A. EXPLANATION OF REQUEST: The Business Council requests an exception budget of \$90,000 to partially fund salary, benefits and support costs associated with the employment of the WSSI Outreach Coordinator. Over the past five years, this position has been funded by grants from the SBA Rural Outreach Program. This program permanently terminates on September 30, 2005. The WSSI Outreach Coordinator performs many vital functions including conducting seminars and workshops across the state, preparation and distribution of the bi-weekly WSSI e-newsletter and administration of the very successful Wyoming Phase 0 Program.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$90,000</u>	
	TOTAL	\$90,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Outreach Coordinator is the only WSSI full-time position and is essential to the ongoing success of this program. Due to the work of this coordinator, Wyoming inventors/entrepreneurs won \$3.1M in 2003 and \$3.5M in 2004. This is federal money coming to Wyoming. Our plan is to team with Wyoming's new Manufacturing-Works program to support new product development in the state's growing manufacturing sector. Going forward, it is planned that partial support for this position will be derived from sub-contracting with Manufacturing-Works to develop the skills needed for the state's manufacturers to successfully compete for federal funds. Success in this outreach will greatly enhance our manufacturing sector's contribution to the state's economy through increased sales revenues and quality job creation.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

NOTE: Below are requests from our partners managed by the University of Wyoming. These programs directly benefit the economic development efforts of the state. ***I, Tucker Fagan, do not recommend funding the following requests at this time; therefore,***

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

these amounts are NOT included in the exception budget column of the budget request schedules. I recommend we continue the funding at the current levels to maintain their current level of services, and review these requests next year. I place these before the Governor and Legislature due to the unique relationship between the Business Council and UW programs. It is important that their requests be seen.

7. PRIORITY #7 - INCREASED FUNDING TO THE RESEARCH PRODUCTS CENTER

A. EXPLANATION OF REQUEST: The Research Products Center (RPC) requests an additional \$40,000 annually (\$80,000 biannually) to fund salary and benefits expenses for an additional employee to help with intellectual property outreach services and licensing matters.

B. REQUEST BY OBJECT CODE, FUND AMOUNT AND FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$80,000</u>	
	TOTAL	\$80,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: In FY 2003, the RPC received and processed 26 invention disclosures. Two years later, the RPC received and processed 129 disclosures - a 5-fold increase in workload. This tremendous growth is due to a pent-up demand for intellectual property (IP) assistance in the state.

At UW, the consistent year-over-year record research funding (from federal, state and other sources) has yielded ever-increasing numbers of inventions. UW regulations require that these inventions be protected with patents or other types of intellectual property (IP) and licensed to industry or spun-out into new technology companies (14 start-up technology companies have been created with UW technologies - in whole or in part - since 1999).

In addition, Wyoming residents outside UW are very inventive and need assistance regarding IP; unfortunately, there are no practicing patent attorneys or agents in the state, and such services are prohibitively expensive for many Wyoming residents. The RPC fills this role - providing free invention evaluation services and IP advice for anyone in Wyoming. Our outreach efforts are working, too - invention disclosures from non-UW sources have increased 28-fold in just two years (from 3 to 85).

Demand for assistance has skyrocketed beyond the RPC's ability to support all requests. According to the Association of University Technology Managers (AUTM; see www.autm.net), one full-time person working in a technology transfer capacity should be able to support 15-20 new inventions per year. The current funding level from the Business Council was enough to support the RPC when it received approximately 20-30 invention disclosures a year. However, since it began our state-wide outreach program in earnest, the RPC now is supporting over 120 inventions annually. With only 1.5 full-time people receiving and reviewing invention disclosures (the director and the student interns), the RPC needs at least another part-time person. Without more help, we will have to pare back our assistance or charge fees for our assistance (in an attempt to reduce demand).

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

8. PRIORITY #8 -MANUFACTURING-WORKS (MANUFACTURING EXTENSION PARTNERSHIP MEP - FORMERLY MAMTC) CASPER FIELD ENGINEER

A. EXPLANATION OF REQUEST: The Business Council is requesting an exception budget of \$160,000 per biennium to provide funding support for additional full time engineer serving Casper. This position has not been filled for the last two years due to budget constraints and the unclear future of MAMTC. Now that Manufacturing-Works has been created and our relationship with MAMTC severed we are ready to address this pressing need. The Casper area has a significant number of manufacturing concerns and that number is growing due to recent economic development activities in Casper. We currently have an environment scientist in Casper serving the entire state, but she does not have engineering responsibilities.

The exception budget would allow Manufacturing-Works to continue to be one of the top ten MEP centers in the nation and would allow further integration and exposure to small technology businesses and manufacturing expansion in the center of the state as well as increased market penetration state-wide. The already impressive economic impact numbers, validated by an independent survey one-year after completion of projects would increase significantly.

Manufacturing-Works began as a new stand-alone Manufacturing Extension Partnership (MEP) on July 1, 2005 after a three month transition period from MAMTC, a multi-state MEP to which Wyoming belonged since July 1, 1995. The center exists due to the cooperative and funding efforts of the Wyoming Business Council, the University of Wyoming and the National Institute of Standards and Technology.

There are seven (7) Manufacturing-Works personnel in the state. They are situated in Cheyenne, Rock Springs, Laramie, Powell, Riverton, and Casper. The Manufacturing-Works annual budget is currently \$1,156,550 and is funded through the Business Council \$578,275, University of Wyoming \$206,225 and National Institute of Standards and Technology \$372,050.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$160,000</u>	
	TOTAL	\$160,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: Manufacturing-Works is helping grow Wyoming's manufacturing sector. Their services are available throughout the state. Cumulative results for the last 10 years include over \$100M of verifiable increases in annual sales, over \$32M in decreased annual costs, over \$5M in verifiable capital investments and over 1,100 jobs created or retained with a payroll from the additional jobs of nearly \$42M. Last year alone over \$4M of additional payroll from additional jobs was attributable to Manufacturing-Works without the engineering forces being in place in Casper or a professional sales effort. The highly sophisticated method of surveying a year after completion of work, provides a non-biased, quantifiable trail on all projects completed. Providing more support in Casper, where over 240 manufacturing companies reside will have a pronounced positive effect on this economic impact.

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WYOMING BUSINESS COUNCIL
 Expense Org: WYOMING BUSINESS COUNCIL

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

9. PRIORITY #9 - SMALL BUSINESS DEVELOPMENT CENTER OPERATIONS

A. EXPLANATION OF REQUEST: The Wyoming Small Business Development Center faces increases in operational costs at all seven client service locations as well as the state administrative office. These operational costs include in-state travel due to increases in rent, telephone charges, postage, printing and office supplies. Estimated costs are approximately 6% of budget or \$69,500 per year.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$139,000</u>	
	TOTAL	\$139,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Wyoming SBDC has not received an increase in federal funding for many years and it appears for this next year that SBDC's nationwide will receive level funding again; however, our expenses for operations increase continually. This increase will allow us to maintain our services to clients at the same level as we have provided in the past.

10. PRIORITY #10 - SMALL BUSINESS DEVELOPMENT CENTER EXPANSION

A. EXPLANATION OF REQUEST: SBDC personnel counseled or trained nearly 3,600 Wyoming business owners and entrepreneurs last year. The demand for services continues to increase, keeping counseling schedules booked to maximum levels. Therefore we are requesting the addition of 2.5 FTE personnel to service these needs. Estimated costs for salaries, benefits and support costs are \$101,000 per year.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$202,000</u>	
	TOTAL	\$202,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: Clients often wait from 2-4 weeks to see a counselor, due to heavy counseling loads. Demand for assistance has grown tremendously in Jackson and surrounding areas. This is a hotbed for entrepreneurship, technology-oriented businesses and tourism. Currently, we contract with an individual in Teton County for 40 hours a month for counseling services. We are not able to serve all the clients in a timely manner due to the limited money available for contractual services. A full-time counselor is needed for counseling services and would enable us to increase the number of workshops. A similar situation occurs for Sublette and Northern Lincoln counties where we are requesting a half-time counselor. Our office that serves Goshen,

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	0100	0101	001	101

Laramie, Albany and Carbon Counties is one of the busiest in Wyoming. Currently we have a half-time counselor but desperately need to increase that to a full-time position to serve Albany and Carbon counties. The office that services Sheridan, Johnson, Campbell, Crook and Weston Counties has growing demands as well. We need an additional half time person to serve this five county region.

11. PRIORITY #11 - PART-TIME SALES PROFESSIONAL FOR MANUFACTURING-WORKS

A. EXPLANATION OF REQUEST: A part-time sales engineering professional is needed to increase interaction on a global perspective within companies, allowing for integrated solutions to opportunities rather than point solutions to challenges. Current engineering talent does not address this critical need of manufacturing interface that would leverage most economic impacts ten-fold. The use of a part-time sales position will provide emphasis on efficient first contact, need development and justification without burdening the engineers with tasks beyond their natural tendencies and frees up the center director to integrate state and federal funding with a rural state strategic plan.

B. REQUEST BY OBJECT CODE, FUND AMOUNT & FUNDING SOURCE:

1.	0901 - Professional Services	<u>\$80,000</u>	
	TOTAL	\$80,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: Manufacturing-Works (M-W) contracts with an external agency to perform client surveys. These surveys are anonymous to M-W employees, but they provide important information regarding client satisfaction. In addition, the client provides data regarding the amount of increased sales, the number of jobs created or retained and the increased salaries paid as a result of M-W consultation. The sales professional will remove from the field engineers the need to "sell" M-W services, leaving the field engineers to work on the specific needs of the customers. We will measure the number of new clients, the amount of work performed by M-W as well of the "depth of the work" a result of the new contracting and with Wyoming manufacturers along with the normal measures discussed above.

12. PRIORITY #12 - WYOMING WOMEN'S BUSINESS CENTER

A. EXPLANATION OF REQUEST: The Business Council contracts with the Wyoming Women's Business Center (WWBC) to provide training, technical assistance and a microloan program to small businesses and women who are socially and economically disadvantaged. This request is to increase funding by \$767,080 for the biennium.

The Wyoming Women's Business Center is a non-profit organization that assists individuals who want to start or expand small businesses in the state. The Center strives to advance financial self-sufficiency by promoting economic justice and equality throughout Wyoming. In partnership with the Wyoming Coalition Against Domestic Violence, the Small Business Administration, the Wyoming Business Council, and the Small Business Development Center, the WWBC serves the entire

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

state of Wyoming through its offices in Laramie and Thermopolis. WWBC provides access to capital, technical assistance and training, networking opportunities, business counseling, the Individual Development Account (IDA) program and an online market place for Wyoming’s artisans and crafts people. This request provides salaries and related benefits to employees who provide these services, matching funds for the IDA project and start up expenses for artisans and craftspeople.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

1.	0901 - Professional Svces (Microloan program)	\$180,000	
2.	0901 - Professional Svces (Roundtables)	\$ 36,000	
3.	0901 - Professional Svces (IDA program)	\$161,080	
4.	0901 - Professional Svces (Yinspiration pgm)	<u>\$390,000</u>	
	TOTAL	\$767,080	100% General Fund

C. PERFORMANCE JUSTIFICATION:

1. Microloan program. The default rate of the current program is 8.99%. This request increases the staff for the microloan program to include another loan officer and an administrative assistant thus providing adequate staff to increase the loan program to \$750,000.

Salaries	\$135,000
Benefits	<u>\$ 45,000</u>
TOTAL	\$180,000

2. Roundtables. The WWBC facilitates business roundtables in 6 communities. With additional funding for travel expenses, this program can expand to include four additional communities. Salaries for the Roundtables are already provided for through a grant from the Small Business Administration.

Travel	<u>\$36,000</u>
TOTAL	\$36,000

3. Individual Development Account program. The WWBC is successfully administrating its IDA program with 25 participants. Initially funded through a Department of Family Services TANF grant, these participants are working toward owning assets thereby giving them a stake in their future and the future of Wyoming’s communities. In addition, the IDA program promotes financial education and the responsible use of credit thus reducing the financial losses by creditors while strengthening the family structure. Funding is requested for additional staff and matching dollars for 40 participants at \$2,000 over the biennium.

Salaries	\$ 60,810
Benefits	\$ 20,270
Participant match	<u>\$ 80,000</u>

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WYOMING BUSINESS COUNCIL**
 Expense Org: **WYOMING BUSINESS COUNCIL**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	0100	0101	001		101

TOTAL \$161,080

4. Yinspiration. Through a TANF grant, the WWBC provided funds for start up costs, intensive training, and technical assistance to 48 participants who started home based businesses. Works of Yinspiration, WWBC's online market place, promotes economic self-sufficiency for Wyoming artisans and craftspeople by providing an opportunity to sell their wares to a worldwide market. The infrastructure is in place, funding is requested for administrative costs and start up support for 30 new participants at \$7,000 each over a two-year period.

Salaries	\$135,000
Benefits	\$ 45,000
Participant start up costs	<u>\$210,000</u>
TOTAL	\$390,000

Agency Name: WYOMING BUSINESS COUNCIL Appropriation Organization Name: WYOMING BUSINESS COUNCIL Expense Organization Name: WYOMING BUSINESS COUNCIL		Wyoming On Line Financial System Codes					
		AGY 085	AORG 0100	EORG 0101	FUND 001	APPR UNIT 101	
1		2 Standard Budget	3 Standard Budget	4 Exception Request	5 Total Agency Request	6 Governor's Changes	7 Governor's Recommendation
Description	Code						
EXPENDITURES							
SALARIES CLASSIFIED	0103	4,249,146	4,983,304	600,000	5,583,304	(600,000)	4,983,304
SALARIES OTHER	0104	0	0	0	0	0	0
EMPLOYER PD BENEFITS	0105	1,484,778	1,939,597	294,600	2,234,197	(294,600)	1,939,597
EXTERNAL COST ADJ - SALARIES	0198	0	263,596	0	263,596	0	263,596
EXTERNAL COST ADJ - BENEFIT	0199	0	53,203	0	53,203	0	53,203

PERSONAL SERVICES	0100	5,733,924	7,239,700	894,600	8,134,300	(894,600)	7,239,700
REAL PROPTY REP & MT	0201	24,910	46,910	0	46,910	0	46,910
EQUIPMENT REP & MNTC	0202	14,550	7,550	0	7,550	0	7,550
UTILITIES	0203	40,000	44,000	0	44,000	0	44,000
COMMUNICATION	0204	96,563	126,563	7,200	133,763	(7,200)	126,563
DUES-LICENSES-REGIST	0207	136,638	136,738	30,000	166,738	(30,000)	136,738
ADVERTISING-PROMOT	0208	218,810	231,810	28,800	260,610	(28,800)	231,810
DATA PROCESSING	0209	487	0	0	0	0	0
MISCELLANEOUS	0210	7,798	2,798	6,000	8,798	(6,000)	2,798
TRAVEL IN STATE	0221	349,848	347,848	48,000	395,848	(48,000)	347,848
TRAVEL OUT OF STATE	0222	307,769	323,769	42,000	365,769	(42,000)	323,769
PERMANENTLY ASSIGNED VEHICLES	0223	89,176	103,176	98,040	201,216	(72,000)	129,216
EMPLOYEE MOVING EXPENSES	0224	24,000	14,000	27,000	41,000	(27,000)	14,000
ENT. HOST EXP. REIMBURSED	0227	40,000	36,000	18,000	54,000	(18,000)	36,000
OFFICE SUPPL-PRINTNG	0231	265,496	273,896	14,400	288,296	(14,400)	273,896
MTR VEH&AIRPLANE SUP	0233	850	0	0	0	0	0
FOOD FOOD SVC SUPPL	0234	3,350	0	0	0	0	0
MEDICAL-LAB SUPPLIES	0235	1,000	2,000	0	2,000	0	2,000
EDUCA-RECREATNL SUPP	0236	24,450	18,650	0	18,650	0	18,650
SOFT GOODS&HOUSEKPNG	0237	7,750	4,750	0	4,750	0	4,750
OTH REPAIR-MAINT SUP	0239	288	288	0	288	0	288
OFFICE EQUIP-FURNISH	0241	0	0	24,000	24,000	(24,000)	0
DP REPRODUCT OTH EQ	0242	0	0	15,000	15,000	(15,000)	0
TRANSPORTATION EQUIP	0243	0	0	90,000	90,000	(90,000)	0
EDUCATION-RECRE-TECH	0246	0	0	0	0	0	0
REAL PROPERTY RENTAL	0251	384,774	471,774	37,200	508,974	(37,200)	471,774
EQUIPMENT RENTAL	0252	69,137	60,137	0	60,137	0	60,137
ASSESSMENTS	0253	0	0	0	0	0	0
INSURANCE-BOND PREMS	0254	0	0	0	0	0	0
PAYMENTS	0255	0	0	0	0	0	0
AWARDS-PRIZES	0271	1,800	1,800	0	1,800	0	1,800

SUPPORTIVE SERVICES	0200	2,109,444	2,254,457	485,640	2,740,097	(459,600)	2,280,497
CENTRAL-SER DATA-SER	0410	66,528	71,340	5,400	76,740	(5,400)	71,340
TELECOMMUNICATIONS	0420	181,408	169,814	28,800	198,614	(28,800)	169,814

CENT. SERV./DATA SERV.	0400	247,936	241,154	34,200	275,354	(34,200)	241,154
LOCAL GOVERNMENTS	0602	0	0	0	0	0	0
PRIVAT INSTITUTN ORG	0606	60,000	0	0	0	0	0

Agency Name: WYOMING BUSINESS COUNCIL Appropriation Organization Name: WYOMING BUSINESS COUNCIL Expense Organization Name: WYOMING BUSINESS COUNCIL		Wyoming On Line Financial System Codes				
		AGY 085	AORG 0100	EORG 0101	FUND 001	APPR UNIT 101
1	2	3	4	5	6	7
Description	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
Description	Code					
SCHOLARSP & ED ASST	0607	0	0	0	0	0
AIDS (TO/BEHALF OF)	0608	160,000	0	0	0	0
GRANT PAYMENTS	0626	14,600,000	26,317,926	34,400,000	60,717,926	22,600,000
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GRANTS & AID PAYMENT	0600	14,820,000	26,317,926	34,400,000	60,717,926	22,600,000
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PURCHASE FOR RESALE	0801	0	0	0	0	0
OTHER REFUNDS	0814	0	0	0	0	0
RETIREMENT PAYMENTS	0842	0	0	0	0	0
OTHER COLLECTIONS	0843	0	0	0	0	0
OTHER LOANS	0871	0	0	0	0	0
FUND SHIFT - FISCAL	0881	0	0	0	0	0
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NON-OPERATING EXPENDITURES	0800	0	0	0	0	0
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PROFESSIONAL FEES	0901	6,914,858	6,961,860	954,179	7,916,039	(180,000)
CONSULTING SERVICES	0902	0	0	0	0	0
SPECIAL PROJ & SVCS	0903	25,000,000	0	0	0	0
CONTRACTUAL TRAVEL	0905	0	12,687	0	12,687	0
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CONTRACTUAL SERVICES	0900	31,914,858	6,974,547	954,179	7,928,726	(180,000)
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EXPENDITURE TOTALS		54,826,162	43,027,784	36,768,619	79,796,403	21,031,600
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SOURCES OF FUNDING						
AGENCY FUND	A	0	0	0	0	0
INVESTMENT INCOME-SELF	4601	0	0	0	0	0
STATE TREASURER NON-STATUTORY	5004	0	0	0	0	0
REGISTRATION FEES	5906	0	0	0	0	0
CURRENT YEAR RECOVERIES	9102	0	0	0	0	0
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AGENCY FUND	A	0	0	0	0	0
<hr/>						
LOAN REPAYMENTS	9201	1,140,876	1,140,876	0	1,140,876	0
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ENTERPRISE FUND	E	1,140,876	1,140,876	0	1,140,876	0
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GENERAL FUND	1001	53,070,550	33,428,111	36,768,619	70,196,730	21,031,600
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GENERAL FUND	G	53,070,550	33,428,111	36,768,619	70,196,730	21,031,600
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GROUP HEALTH INS CNTRBTN-STATE	9523	0	0	0	0	0
<hr/>						
INTERNAL FUND	I	0	0	0	0	0
<hr/>						
LICENSE FEE	2301	0	0	0	0	0
SPONSOR & PRODUCER LICENSES	2910	0	0	0	0	0
INTEREST-FARM OR IRRIG DIST LN	4504	0	0	0	0	0
PROCESSING FEE	5390	0	0	0	0	0
SALE OF PROMOTIONAL ITEMS	5424	0	0	0	0	0

EXPENSE ORGANIZATION BUDGET REQUEST

Agency Name: WYOMING BUSINESS COUNCIL			Wyoming On Line Financial System Codes				
Appropriation Organization Name: WYOMING BUSINESS COUNCIL			AGY	AORG	EORG	FUND	APPR UNIT
Expense Organization Name: WYOMING BUSINESS COUNCIL			085	0100	0101	001	101
1	2	3	4	5	6	7	
Description	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation	
Code							
WUSATA-AG DEPT.	5434	90,000	90,000	0	90,000	0	90,000
MISCELLANEOUS PRIVATE SOURCES	6201	19,550	19,550	0	19,550	0	19,550
TRUST AND AGENCY FUND	6604	505,186	505,186	0	505,186	0	505,186
LOAN REPAYMENTS	9201	0	0	0	0	0	0

SPECIAL REVENUE	R	614,736	614,736	0	614,736	0	614,736
TELEPHONE COMMISSIONS	4906	0	0	0	0	0	0

EXPENDABLE TRUST	T	0	0	0	0	0	0

14.219 COMMUNITY DVLP BLCK GRT	7217	0	7,227,267	0	7,227,267	0	7,227,267
USDA/AG ECONOMIC ASSISTANCE	7233	0	0	0	0	0	0
13.614 CHLD DVLP MNT ASSCTE	7622	0	0	0	0	0	0
81.041 ST ENRGY CNSRVT-TLE III	7822	0	616,794	0	616,794	0	616,794

FEDERAL FUNDS	X	0	7,844,061	0	7,844,061	0	7,844,061

TOTAL FUNDING		54,826,162	43,027,784	36,768,619	79,796,403	21,031,600	100,828,003

AUTHORIZED EMPLOYEES							
FULL TIME EMPLOYEE COUNT			0	0	0	0	0

TOTAL AUTHORIZED EMPLOYEES			0	0	0	0	0

EXPENSE ORGANIZATION BUDGET REQUEST

Agency Name: WYOMING BUSINESS COUNCIL Appropriation Organization Name: WYOMING BUSINESS COUNCIL Expense Organization Name: AERONAUTICS COMMISSION		Wyoming On Line Financial System Codes				
		AGY 085	AORG 0100	EORG 0102	FUND 001	APPR UNIT 101
1	2	3	4	5	6	7
Description	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
Code						
EXPENDITURES						
SALARIES CLASSIFIED	121,600	0	0	0	0	0
EMPLOYER PD BENEFITS	34,428	0	0	0	0	0
PERSONAL SERVICES	156,028	0	0	0	0	0
CENTRAL-SER DATA-SER	1,560	0	0	0	0	0
TELECOMMUNICATIONS	2,700	0	0	0	0	0
EQUIPMENT SERVICE CENTER	264	0	0	0	0	0
CENT. SERV./DATA SERV.	4,524	0	0	0	0	0
EXPENDITURE TOTALS	160,552	0	0	0	0	0
SOURCES OF FUNDING						
GENERAL FUND	160,552	0	0	0	0	0
GENERAL FUND	160,552	0	0	0	0	0
TOTAL FUNDING	160,552	0	0	0	0	0
AUTHORIZED EMPLOYEES						
FULL TIME EMPLOYEE COUNT		0	0	0	0	0
TOTAL AUTHORIZED EMPLOYEES		0	0	0	0	0

EXPENSE ORGANIZATION BUDGET REQUEST

Agency Name: WYOMING BUSINESS COUNCIL Appropriation Organization Name: WYOMING BUSINESS COUNCIL Expense Organization Name: BUSINESS COUNCIL STATE ENERGY PROGRAM		Wyoming On Line Financial System Codes					
		AGY 085	AORG 0100	EORG 0103	FUND 001	APPR UNIT 101	
1	2	3	4	5	6	7	
Description	Code	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENDITURES							
SALARIES OTHER	0104	219,644	0	0	0	0	0
EMPLOYER PD BENEFITS	0105	67,598	0	0	0	0	0
PERSONAL SERVICES	0100	287,242	0	0	0	0	0
COMMUNICATION	0204	2,800	0	0	0	0	0
DUES-LICENSES-REGIST	0207	2,100	0	0	0	0	0
TRAVEL IN STATE	0221	7,000	0	0	0	0	0
TRAVEL OUT OF STATE	0222	18,000	0	0	0	0	0
OFFICE SUPPL-PRINTNG	0231	8,400	0	0	0	0	0
EDUCA-RECREATNL SUPP	0236	200	0	0	0	0	0
SUPPORTIVE SERVICES	0200	38,500	0	0	0	0	0
COST ALLOCATION	0301	3,226	0	0	0	0	0
RESTRICTIVE SERVICES	0300	3,226	0	0	0	0	0
TELECOMMUNICATIONS	0420	5,398	0	0	0	0	0
CENT. SERV./DATA SERV.	0400	5,398	0	0	0	0	0
LOCAL GOVERNMENTS	0602	277,428	0	0	0	0	0
GRANTS & AID PAYMENT	0600	277,428	0	0	0	0	0
PROFESSIONAL FEES	0901	5,000	0	0	0	0	0
CONTRACTUAL SERVICES	0900	5,000	0	0	0	0	0
EXPENDITURE TOTALS		616,794	0	0	0	0	0
SOURCES OF FUNDING							
GOVERNOR NON-STATUTORY	5001	115,008	0	0	0	0	0
81.041 ST ENRGY CNSRVT-TLE III	7822	501,786	0	0	0	0	0
FEDERAL FUNDS	X	616,794	0	0	0	0	0
TOTAL FUNDING		616,794	0	0	0	0	0

1		2	3	4	Wyoming On Line Financial System Codes				
					AGY	AORG	EORG	FUND	APPR UNIT
Agency Name:		WYOMING BUSINESS COUNCIL			085	0100	0104	001	101
Appropriation Organization Name:		WYOMING BUSINESS COUNCIL							
Expense Organization Name:		COMMUNITY DEVELOPMENT BLOCK GRANT							
Description	Code	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation		
EXPENDITURES									
SALARIES OTHER	0104	347,112	0	0	0	0	0		
EMPLOYER PD BENEFITS	0105	119,309	0	0	0	0	0		
PERSONAL SERVICES	0100	466,421	0	0	0	0	0		
COMMUNICATION	0204	5,200	0	0	0	0	0		
DUES-LICENSES-REGIST	0207	1,000	0	0	0	0	0		
TRAVEL IN STATE	0221	17,000	0	0	0	0	0		
TRAVEL OUT OF STATE	0222	2,000	0	0	0	0	0		
OFFICE SUPPL-PRINTNG	0231	5,000	0	0	0	0	0		
EDUCA-RECREATNL SUPP	0236	1,000	0	0	0	0	0		
SUPPORTIVE SERVICES	0200	31,200	0	0	0	0	0		
COST ALLOCATION	0301	43,000	0	0	0	0	0		
RESTRICTIVE SERVICES	0300	43,000	0	0	0	0	0		
TELECOMMUNICATIONS	0420	5,465	0	0	0	0	0		
CENT. SERV./DATA SERV.	0400	5,465	0	0	0	0	0		
LOCAL GOVERNMENTS	0602	6,663,409	0	0	0	0	0		
GRANTS & AID PAYMENT	0600	6,663,409	0	0	0	0	0		
PROFESSIONAL FEES	0901	17,772	0	0	0	0	0		
CONTRACTUAL SERVICES	0900	17,772	0	0	0	0	0		
EXPENDITURE TOTALS		7,227,267	0	0	0	0	0		
SOURCES OF FUNDING									
14.219 COMMUNITY DVLP BLCK GRT	7217	7,227,267	0	0	0	0	0		
FEDERAL FUNDS	X	7,227,267	0	0	0	0	0		
TOTAL FUNDING		7,227,267	0	0	0	0	0		

1		2	3	4	5	6	7
Description		Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENSE ORGANIZATION							
TOURISM	2102	17,495,023	14,194,528	11,013,922	25,208,450	(1,019,922)	24,188,528
TOTAL BY EXPENSE ORG		17,495,023	14,194,528	11,013,922	25,208,450	(1,019,922)	24,188,528
OBJECT SERIES							
PERSONAL SERVICES	0100	2,107,865	2,590,894	327,422	2,918,316	(171,922)	2,746,394
SUPPORTIVE SERVICES	0200	3,355,580	1,168,480	1,090,500	2,258,980	(412,000)	1,846,980
CENT. SERV./DATA SERV.	0400	76,584	79,560	19,000	98,560	(16,000)	82,560
CAPITAL EXPENDITURES	0700	55,000	0	0	0	0	0
NON-OPERATING EXPENDITURES	0800	0	0	2,930,000	2,930,000	0	2,930,000
CONTRACTUAL SERVICES	0900	11,899,994	10,355,594	6,647,000	17,002,594	(420,000)	16,582,594
TOTAL BY OBJECT SERIES		17,495,023	14,194,528	11,013,922	25,208,450	(1,019,922)	24,188,528
SOURCES OF FUNDING							
AGENCY FUND	A	0	3,600	0	3,600	0	3,600
GENERAL FUND	G	16,741,423	14,190,928	11,013,922	25,204,850	(1,019,922)	24,184,928
INTERNAL FUND	I	0	0	0	0	0	0
SPECIAL REVENUE	R	753,600	0	0	0	0	0
TOTAL BY FUNDS		17,495,023	14,194,528	11,013,922	25,208,450	(1,019,922)	24,188,528

Agency Name: WYOMING BUSINESS COUNCIL

Agency Number: 085

Appropriation Organization Name: TOURISM

AORG Number: 2100

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes					
AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

SECTION 1. EXP. ORG STATUTORY AUTHORITY
 W.S. 9-12-107 Tourism Promotion and Development

SECTION 2. STANDARD BUDGET REQUEST

Part A. Narrative

The Travel & Tourism Division (Division) of the Business Council is the marketing division charged with bringing non-resident visitors to Wyoming by promoting the state as a vacation destination to both the domestic and international audiences. By creating and implementing a fully integrated marketing campaign, the Division adds strength to the Wyoming travel industry: an industry predominantly made up of small, independent businesses. Marketing strategies have been developed and deployed for more than 40 years and make a significant contribution to growth in Wyoming's economy.

The aggregate growth in Wyoming's tourism industry is a result of the combined efforts of both the public and private sector. Cooperative programs allow the Division to leverage its budget and maximize resources. Marketing partnerships have been established with tourism entities in surrounding states and gateway communities, Wyoming-based lodging tax boards and other state and federal agencies to maintain Wyoming's position as a premier Rocky Mountain visitor destination.

Tourism is a steady growth industry that benefits all of Wyoming. Travel spending has increased an average of 4.9% per year since 1997 while local and state tax revenues contributed by tourism have increased 5.5% per year over the same period. Since 1997, the number of tourism generated jobs have remained relatively flat yet earnings from tourism employment have grown at almost 5 times that rate, currently accounting for \$537 million in direct personal income. In 2004, travel-related employment accounted for 28,640 full and part-time jobs, representing 8.1% of Wyoming's overall employment.

Wyoming's tourism industry in 2004 accounted for:

- * \$2 billion in direct expenditures by 6.9 million people staying overnight
- * 28,640 total full-time and part-time jobs
- * \$94 million in combined state and local tax revenues

The Division currently has 19 full time positions.

Part B. Revenue

Expenditures made by the Division were from the following revenue sources for the following bienniums:

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes
 AGY AORG EORG FUND APPR UNIT
 085 2100 2102 001 210

	<u>2003/04</u> (actual)	<u>2005/06</u> (estimated)
General Funds	\$ 11,283,849	\$ 16,790,989
Other Funds	<u>11,928(a)</u>	<u>750,000(b)</u>
Total	\$ 11,295,777	\$ 17,540,989

- (a) Represents grants from the Department of Administration & Information for interns hired by the Division and miscellaneous reimbursements received. We cannot reasonably estimate the availability or amount of these funds in the future.
- (b) Represents one-time funding from the Department of Transportation for highway turnouts.

GOVERNOR'S RECOMMENDATION

*I am recommending approval of the Standard Budget Request as submitted.
 I am also recommending that a footnote be added providing for the continuation of the Tourism Board:*

- (a) There is created the Wyoming tourism board within the Wyoming business council.*
- (b) The tourism board is composed of nine (9) members appointed by the governor. The governor may remove any member as provided by W.S. 9-1-202. Members of the board shall be employed in or associated with the travel industry. Two (2) members shall be designated as at-large members of the board. Of the seven (7) remaining members, one (1) each shall be appointed from each of the appointment districts set forth in W.S. 9-1-218.*
- (c) The tourism board shall be responsible for implementing the tourism program and functions assigned to the Wyoming business council under the Wyoming Economic Development Act, including the expenditure of all funds appropriated for this program.*
- (d) The tourism board shall be subject to oversight by the Wyoming business council to assure compliance with the Wyoming Economic Development Act.*
- (e) Members of the board shall be compensated in the same manner as members of the Wyoming business council.*
- (f) The board shall exist until June 30, 2008. Upon termination of the board, its powers shall pass and be vested in the Wyoming business council.*

SECTION 3. EXCEPTION BUDGET REQUEST

1. PRIORITY #1 - STAFFING REQUEST - ONLINE PRODUCT MANAGER

A. EXPLANATION OF REQUEST: A full-time equivalent employee dedicated to the success of the website and web optimization efforts is necessary. In the world of leisure travel, the Internet is an extremely useful tool to the consumer and the destination. An online product manager will allow the division to take better

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

advantage of this tool by implementing all efforts required by advertising and marketing agencies as well as staff. The online product manager position will provide support and direction by acting as the liaison between marketing staff and the division's outsourced technology groups. In addition, this position will oversee the customer relationship management (CRM) efforts of the division by utilizing the existing and future inquiry databases for e-marketing efforts (newsletters) as defined in the overall marketing strategy, for the purpose of building relationships with current customers. Another component of managing the CRM efforts will be to understand and ensure compliance with emerging rules and restrictions surrounding the communication and interaction with online consumers.

This position will also allow the division to pursue potential growth markets via the Internet by implementing niche sites for various markets to broaden the appeal of the website and of Wyoming in general.

This is a specialized field and not within the responsibilities of current staffing levels. In addition to salaries and employer paid benefits, the request includes travel, telephone and computer equipment.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0103 - Salaries	\$110,000
2.	0105 - Benefits	\$ 45,500
3.	0221 - Travel	\$ 5,000
4.	0231 - Office Supplies	\$ 1,000
5.	0242 - Computer Equipment	\$ 2,500
6.	0420 - Telephone	\$ 3,000

TOTAL	\$167,000	100% General Fund
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C. PERFORMANCE JUSTIFICATION: Adding an online product manager will improve performance by providing the expertise to stay abreast of changing travel trends, to enhance benchmarks and tracking of the tourism website and ensure the site contributes to the success of the combined marketing and advertising objectives for the division. A full time equivalent is necessary to implement the online objectives included in the overall marketing strategy, versus prior years where the online marketing component was not emphasized. Online objectives include customer relationship management, pursuing potential growth markets, ensuring compliance with anti-spam laws, utilizing in-house surveys, and managing website content.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

2. PRIORITY #2 - WEB OPTIMIZATION

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

A. EXPLANATION OF REQUEST: The growth of the Internet is a powerful tool in travel planning and booking. Incorporating an online advertising component to the marketing mix alone will not ensure success in the online arena, nor is it sufficient to simply buy paid placements. In order to fully take advantage of this powerful medium, you must go beyond measuring page views and click-throughs and analyze how to improve conversion of click-throughs to qualified leads. The better qualified the leads, the better chance of converting that consumer into a Wyoming traveler. Optimization of a website includes many things, such as:

- * Search Engine Optimization (SEO) - This is the process of optimizing the website on search engines to compliment the Division's strategic advertising and marketing objectives. Search engines are still the number one source for consumers looking for specific material on the Internet. According to Jupiter Research, search engines have surpassed other media channels in driving consumers to a particular website when researching their most recent trip by 17 percent. Jupiter also shows travel is one of the fastest growing categories in search engine marketing spending, increasing its share from eight percent in 2003 to 10 percent in 2004. SEO is used to increase visibility (through higher rankings) of the tourism website on paid and organic search engine results, to analyze and enhance web pages within the website to make it more search engine friendly, with the ultimate goal of converting viewers into actual visitors.

- * Banner Buys - A customer acquisition strategy whereby banners/ad space is purchased on related websites to obtain new qualified leads/customers.

- * Pay per Click - A customer acquisition strategy that allows the Division to purchase placement on a search engine results page. The placement is determined by keywords purchased by the Division that matches up with a consumer's search keywords. The cost is determined by two factors: price of the keyword bid and the number of times a consumer clicks on the link to the Division's website.

- * Domain Name Purchases - Purchasing domain names is used to promote and retain brand integrity as well as increase brand awareness.

- * Promotion-specific landing pages - Utilized to increase the number of conversions from qualified leads, these web pages are built to complement a specific promotion or ad campaign being implemented by the division. By helping the consumer make the connection from the promotion (magazine, newspaper, radio, online banner buy, etc.) to the website, it increases the chance of converting that consumer into a qualified lead by giving them a quicker connection to the information they are seeking.

- * Electronic Newsletter - An online communication tool distributed to consumers electing to receive additional information about Wyoming on an ongoing basis. A very effective and efficient customer retention strategy.

In essence, the web optimization goal is to increase the website visibility, to reach more consumers, and to be more influential towards them choosing Wyoming as a vacation destination (conversion). Increased traffic to the website also provides an authoritative marketing platform in which to present Wyoming destinations and businesses to the traveling public.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1. 0901 - Search Engine Optimization \$ 35,000

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

2.	0901 - Banner Buys	\$ 35,000	
3.	0901 - Pay per Click	\$100,000	
4.	0901 - Domain Name Purchases	\$ 5,000	
5.	0901 - Promotion Specific Landing Pages	<u>\$ 25,000</u>	

TOTAL **\$200,000** **100% General Fund**

C. PERFORMANCE JUSTIFICATION: The web optimization effort will improve performance by ensuring the highest return on every ad dollar spent by: readying the site to enhance organic and paid search results, providing compelling landing pages with the intent to convert leads into travelers, retaining and converting qualified leads into visitors through the use of compelling online newsletters, and providing ongoing usability surveys to collect feedback for future improvements to the division website. Measuring the online portion of a marketing strategy is becoming easier through the advanced technologies available. Measurements to determine usage and conversion will include but are not limited to:

- * Number of consumers ordering a trip planning packet via the website
- * Number of consumers planning trips using the online travel manager
- * Amount of time consumers spend on the website
- * Number of newsletter sign-ups
- * Number of click-throughs to individual business websites
- * Number of unique visitors to the website
- * Number of pages viewed (and which pages)
- * Visitor navigation through the site (click paths)

In addition, more precise measurements can be provided to Wyoming destinations and businesses about traffic patterns, niche specific offerings and the respective consumer demand.

GOVERNOR'S RECOMMENDATION

The CIO issued a priority ranking of 3 out of 5 for the Web Optimization. I recommend approval of this request.

3. PRIORITY #3 - INCREASED ADVERTISING & PUBLIC RELATIONS

A. EXPLANATION OF REQUEST: In an effort to sustain existing market share yet capture emerging markets and outpace our competition, it is essential that the Wyoming message, and its distribution, be appropriate for the changing demands of the discerning consumer and the fine distinctions of key markets who offer the greatest potential for delivering visitors to Wyoming. Having identified and prioritized leading markets, marketing efforts must be more strategic, and in some markets re-positioned, to improve return on investment by determining and exploiting the highest-value segments, which will result in increased visitation

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

and increased visitor expenditures.

Research findings have uncovered significant market-by-market differences in factors that drive awareness, inquiry, conversion and subsequent visitation. Among the major implications of this research is that the Wyoming Travel & Tourism’s advertising and public relations efforts should:

- * Be expanded to include a number of new markets
- * Be more targeted in order to appeal to the nuances of key markets
- * Include messaging tailored to appeal to the increased number of audiences

Hand in hand with increased markets, messaging and targeting are increased costs - in terms of creative development, media costs, online efforts and other components of the integrated campaign. The additional advertising efforts would be deployed thru a variety of distribution channels, specific to the market and its respective audience, utilizing various combinations of television, newspaper, broadcast, out-of-home and product/brand promotion.

In addition, creating affordable and effective co-op programs to give members of the states travel industry the ability to advertise together in ways that most could not afford themselves will provide potential visitors more exposure to the diversity of offerings in Wyoming. By underwriting a portion of certain industry advertising efforts, increased co-op expenditures will not only increase the total amount of promotion dollars from Wyoming’s travel industry, but will lead to better planning, coordination and higher impact in target markets where co-ops will be directed.

To further enhance the Wyoming message, the role of PR/Media Relations will be expanded and more closely integrated into market specific efforts - creating local media contacts, desk side visits to brief editors on Wyoming, feature article placement (seasonal, topical, etc), support for trade shows, where appropriate. Traditional media outlets for exposure of Wyoming tourism feature story opportunities expand almost monthly with both hard-copy periodicals and Internet product. In order to better maintain Wyoming’s high profile in the travel journalism community more must be done to seek out and establish new contacts. Wyoming Travel & Tourism will use this increased funding to attract and host targeted individuals and publications (staff and freelance) as well as broadcast outlets where applicable to the salability of more than just the national parks and well-known attractions/events. Increased funding will allow this work to stay in front of demand and build on an already successful effort. By buttressing this work we expect to be able to host fifteen additional visits by qualified travel journalists annually. It is also our plan to devote the remaining funds to editor contact development and visits to travel media outlets in St. Louis, Kansas City, Des Moines, Omaha, and Texas (Houston, Dallas) in addition to our current stable of established travel media contacts in Chicago, New York, Salt Lake City, Denver and Minneapolis.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0901 - Paid Media Messaging	\$4,700,000	
2.	0901 - Creative Development	\$ 450,000	
3.	0901 - Public Relations	<u>\$ 300,000</u>	
	TOTAL	\$5,450,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: Increased Advertising and Public Relations efforts will improve performance by enhancing frequency and reach in the

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

distribution of the Wyoming message. Now, armed with more in-depth information about market-by-market difference, Wyoming Travel & Tourism can more confidently than ever create marketing programs that will increase visitation and economic impact.

Creating awareness, increasing inquiry, conversion, frequency of visitation, length of stays and expenditures from visitors in key markets is critical to the growth of Wyoming’s tourism industry. Established ROI benchmarks from Wyoming’s three key inquiry market types provide ways in which measure, monitor and direct these factors to assure performance and accountability.

In addition, competition for travel dollars continues to intensify. Total annual domestic advertising (paid media messaging) budgets for state tourism offices has increased on an average of 17.8% over the last 5 years, according to the Travel Industry Association’s State Tourism Office Budget Annual Surveys. In order to attain its goal of becoming the leading destination in the Mountain States, Wyoming Travel & Tourism must take a leadership position in the region in terms of resources available to support its marketing programs.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

4. PRIORITY #4 - EXPANDED RESEARCH

A. EXPLANATION OF REQUEST: Together with increased promotional expenditures is the need to conduct more in-market primary research. This will assure that appropriate levels of market intelligence and consumer insight are available to serve as the foundation for effective marketing strategies and campaigns.

Specifically, these efforts will focus primarily in three different areas:

- * Concept testing to assure that brand positioning and creative messaging resonate with audiences in target markets; to be done annually
- * A battery of year-round seasonal wave tracking studies designed to benchmark market awareness, inquiry conversion, visitor profiles, brand perceptions, visitor satisfaction and other factors critical to success; to be done bi-annually
- * Special efforts to identify and capitalize on new markets including new geographic targets, vertical activities-based niche markets and other trends that will evolve; to be done annually.

These efforts should also dovetail with the refinement of the economic impact modeling effort in order to report the value of per-trip visitation by market type and creation of a statewide “Travel Monitor” to assess and project industry performance on a forward-looking basis.

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

- 1. 0901 - Seasonal Wave Tracking(conversion on seasonal) \$150,000
- 2. 0901 - Concept Testing(one-on-one in markets) \$120,000
- 3. 0901 - New market development(i.e. niche, vertical) \$150,000

TOTAL \$420,000 100% General Fund

C. PERFORMANCE JUSTIFICATION: Current assessments of economic impact and program effectiveness have been based primarily on reporting past performance - the history of the industry. Expanded research efforts will improve performance by providing actionable in-market information that will drive current/upcoming strategies and marketing efforts - a more forward-looking perspective.

This expanded research program will help establish metrics necessary to determine ROI and, in turn, the ability to optimize efforts around those most likely to become long-term, loyal visitors to Wyoming.

Specifically, this research will help:

- * Create more effective messaging tailored to different audiences,
- * Measure and report conversion by market type,
- * Establish the value of a vacation trip by each segment, and
- * Assist in development of a "balance point" that will help gauge associated promotional spending against each market type - delivering those visitors with the highest lifetime economic value as visitors to Wyoming.

In essence, expanded research provides the basis for results-driven advertising.

GOVERNOR'S RECOMMENDATION

I recommend denial of this exception request as submitted.

5. PRIORITY #5 - ADDITIONAL TURNOUTS AND HIGHWAY SIGNAGE

A. EXPLANATION OF REQUEST: In an effort to decrease the "pass-thru" traffic of many travelers on Wyoming highways, additional information and directional signage is necessary throughout Wyoming. To further enhance the visitor experience and to encourage visitors to truly explore Wyoming, it is important that we communicate the visual and interactive opportunities - in essence; make the visitor aware of the tourism product. Roadside pullouts accompanied by quality interpretive signage will provide travelers the opportunity to learn more about Wyoming in a much more engaging and visitor-friendly environment.

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

This request is an extension of a program that began in BFY 2005/06 between Wyoming Travel & Tourism and the Wyoming Department of Transportation. Based on current estimates, and accounting for construction inflation, this biennium request would include:

- * 12 Turnouts @ \$70,000 each
- * 30 New Interpretive Signs at Highway Pullouts @ \$3,000 each
- * 28 Sign Repairs/Replacements @ \$2,500 each

It is our intention to establish this as an ongoing (not one-time) project.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0881 - Turnouts (MOU with WyDOT)	\$ 840,000		
2.	0881 - Signs (MOU with WyDOT)	\$ 90,000		
3.	0239 - Sign Maintenance/Replacement	<u>\$ 70,000</u>		
TOTAL		\$1,000,000	100%	General Fund

C. PERFORMANCE JUSTIFICATION: Adding increased highway turnouts and interpretive signage will improve performance by making Wyoming more visitor-friendly and easily accessible by providing interpretive travel information and quality diversions that will result in extended length of stay, thus creating an increase in destination spending. Furthermore, by working in conjunction with WYDOT to align projects with the State Transportation Improvement Plan, it should generally be more economical to construct turnouts/improvements in conjunction with highway projects, thus resulting in greater efficiencies in state government.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

6. PRIORITY #6 - INTERNATIONAL DEVELOPMENT

A. EXPLANATION OF REQUEST: In an effort to strengthen Wyoming's competitive position in the international marketplace, and ensure that international marketing efforts provide the greatest return on investment, basic data on the international visitor traveling to Wyoming is needed. Specifically, this information should include:

- * Number of international visitors
- * Country of origin

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

- * Number of overnights
- * Areas/attractions visited
- * Economic impact/spending
- * Time of year/season
- * Visitor perceptions of Wyoming

Data collection would be done on a bi-annual basis.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0901 - International Development	<u>\$45,000</u>	
	TOTAL	\$45,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: By collecting data, and measuring international travel to Wyoming, performance will be improved by providing independent information needed to make sound investments in international markets.

1. Advertising strategies will be based on market research
2. Research will establish the status of current markets, and give us the tools to respond appropriately to market fluctuations, travel patterns, and trends.
 - i. Deepen penetration in markets that are growing and profitable
 - ii. Decrease our marketing efforts or withdraw from markets that are not providing an appropriate ROI
3. Newly acquired markets will be carefully monitored and market strength will be tracked.
4. Emerging markets will be analyzed and evaluated for future consideration.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

7. PRIORITY #7 - CDS PACKAGED WITH DISTRIBUTION OF STATE HIGHWAY MAPS

A. EXPLANATION OF REQUEST: Working in cooperation with WYDOT, Wyoming Travel & Tourism will produce an audio CD providing more detailed descriptive information about lesser known, but important sites, along and near Wyoming roadways. Currently most of these locations are noted simply by a red cross and/or title information on the highway map. Wyoming Travel & Tourism will perform background research (in tandem with several other public and private sector partners), collect taped interviews, and produce audio data for the CDs. The bulk of this expenditure is related to mass-producing copies to match the number of maps distributed annually. The budget requested reflects the best price available for said services.

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes

AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

Currently, Wyoming Travel & Tourism distributes approximately 500,000 Wyoming highway maps through our fulfillment response to national advertising campaigns, regional marketing efforts and numerous in-state distribution channels. CDs would be used for a minimum of 2 years, however, duplication would need to be done on an annual basis.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0901 - Design and Production	\$ 20,000	
2.	0901 - Master	\$ 5,000	
3.	0901 - Travel and Content Gathering	\$ 5,000	
4.	0901 - Duplication	<u>\$390,000</u>	
	TOTAL	\$420,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: The audio CDs will enhance performance by complementing the turnout and interpretive signage being added along Wyoming highways. The CDs will allow tourists to learn more about locations across Wyoming, while traveling in a given area, thus enhancing the experience and increasing the likelihood of longer visits.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

8. PRIORITY #8 - REEL SCOUT FILM DATA PROGRAM

A. EXPLANATION OF REQUEST: In an effort to better package Wyoming locations and filming information, this request is for the \$500 monthly maintenance and upgrade fee for the Reel-Scout database. Reel-Scout is a data management response system designed specifically for film offices to manage project, location and contact assets simultaneously.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0901 - Marketing Services	<u>\$12,000</u>	
	TOTAL	\$12,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Film, Arts & Entertainment program for Wyoming Travel & Tourism is charged with expanding Wyoming film-

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

friendly offerings. By utilizing the web-based Reel-Scout database, performance will be improved by increasing the number of digital images and location packages offered through online mechanisms. It then combines a comprehensive contact management system-containing project and client data. The system allows tracking of requests from production companies including the status of projects, locations scouted and city or county statistics to measure usage.

GOVERNOR'S RECOMMENDATION

I recommend approval of this exception request as submitted.

9. PRIORITY # 9 - FILM DIGITIZATION

A. EXPLANATION OF REQUEST: In the fall of 2005, Wyoming Travel & Tourism acquired the extensive work of the late filmmaker, and Wyoming resident, Bill Grunkemeyer, as a result of funds appropriated by the Legislature in BFY2005/06. The Grunko Film Collection represents well over 1,000 hours of footage in a variety of formats. There are numerous possible uses of the collection, including select clips for tourism media productions and promos, in addition to select clips and masters to be used at the Wyoming State Museum and in the collection of Wyoming State Archives. In addition, there are commercial resale opportunities for licensing segmented clips for distribution through online motion footage libraries.

However, all of the potential uses are contingent upon converting this volume of work into a useable and marketable format. This requires physical transfer of the enormous number of tapes, reels, film, etc. to a digital video management refinery (one of 2 in the United States is located in Laramie, Wyoming) then condensing the collection onto digital masters, culling, editing, refining and ingesting, and then activating for licensing and resale.

This request is for a one-time appropriation.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUNDING SOURCE:

1.	0903 - Marketing Services	<u>\$100,000</u>	
	TOTAL	\$100,000	100% General Fund

C. PERFORMANCE JUSTIFICATION: By preserving and restoring this film library, Wyoming Travel & Tourism, along with various other state agencies will have access to quality wildlife footage for promotion and education purposes. This is the necessary next step in having access to and fully utilizing this vast collection for multiple purposes. Once digitized, culled, refined, edited and ingested, licensable clips can be offered for resale thru an online motion footage library, which will result in revenues being returned to the State of Wyoming.

GOVERNOR'S RECOMMENDATION

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: TOURISM
 Expense Org: TOURISM

Wyoming On Line Financial Codes					
AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

I recommend approval of this exception request as submitted.

10. PRIORITY #10 - FACILITY REQUEST - WYOMING WELCOME CENTERS AT I-90 AND THE SOUTH DAKOTA BORDER, AND I-25 AND THE COLORADO BORDER

A. EXPLANATION OF REQUEST: The primary mission of Wyoming Travel & Tourism is to promote travel to and within the state of Wyoming. In order to safely and adequately service tourists visiting Wyoming as a result of national and regional marketing efforts, Wyoming Travel & Tourism is requesting state-of-the-art, yet functional, facilities for the gateway entrances to Wyoming at I-90 and the South Dakota border, and I-25 and the Colorado border. Interstate highways are the most traveled places in our state, and these gateways shape visitors' impressions of Wyoming's image and identity. In addition, Welcome Centers provide a personal opportunity to engage travelers and expand their interest in tourist activities and destinations across the entire state. Wyoming communities and tourism-related businesses rely on cross promotion and sharing of information.

During Governor Herschler's administration, the Wyoming legislature appropriated monies for a gateway Welcome Center to be constructed near I-90 and the South Dakota border. However, due to subsequent budget constraints, the facility was never constructed. Wyoming's tourism industry has been waiting for over 20 years for a Welcome Center at this important gateway to Wyoming. Millions of people visit the Black Hills of South Dakota each year and Wyoming is missing a prime opportunity to invite those visitors to travel off the main roads and enjoy Wyoming's many less-known destinations. In 2004 alone, visitation at Mount Rushmore National Monument reached 2.7 million visitors.

The current Wyoming Welcome Center at I-25 and College Drive was constructed in the early 70's and houses the entire staff of Wyoming Travel & Tourism. While it remains a functioning facility, its location is not conducive to high visibility by travelers entering the state as it is located off the southbound lane of I-25. Furthermore, commercial development at the I-25 and College Drive interchange has resulted in heavy truck traffic and congestion at the off-ramps. A new facility south of Cheyenne will serve as a gateway to Wyoming, and if located on the east side of I-25, will be easily accessible to northbound travelers. We do not propose relocating the Division of Tourism with the construction of a new Welcome Center.

On July 7, 2005, an assessment trip was made to view the Fossil Butte National Monument visitor center facilities near Kemmerer, Wyoming. In many ways, the site and building design concepts utilized at this facility embodies the type of facilities desired for the new Wyoming Welcome Centers. Based upon the assessment of the Fossil Butte facilities and our subsequent meetings, the new Wyoming Welcome Centers would include the following elements:

- * Site and building design should complement the surroundings, include natural landscape amenities, and present a "You have arrived in Wyoming" statement. Entrance should have a significant "Wyoming Sign Marquee", artwork, or other entrance marker.

- * Site and building design should incorporate both interior and exterior displays and small group sitting or theatre spaces, and should be functional with an efficient flow of space.

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

* Site amenities should include walk paths, arbors, picnic tables, RV dump station, etc.

* Site should accommodate parking for approximately 50 cars and 15 RV's. The current Cheyenne Visitor Center has parking for 39 cars and 15 RV's. Design should accommodate expansion of parking areas for future growth. Tourism has indicated that parking will not be included for trucks.

* Building design should include 5000 square feet of main level area to include various welcome center functions (Wyoming and historical displays, small group theatre for video viewing, reception/information/tourism sit down help stations, supervisor offices), and also include public restrooms, pay phones, etc.

* 5000 square feet of basement level area to include storage, mechanical, electrical, telecom. Basement should be designed to allow future expansion space with restrooms.

* Allow for future growth and expansion of building facilities without reworking site parking and drive areas, or without complete renovation of existing facilities.

* Each site location should consider the possibility of locating at an existing or new interstate interchange to also allow crossover access for travelers leaving the State and for maintenance personnel.

A decision will have to be made to determine if the facilities will function as a full rest area facility when the welcome center facilities are not open. Currently, the Summit Rest Area and the Sheridan Visitor Center function in this manner. The site and building design should incorporate this potential for future activity and provide for the following elements:

- * Design should allow the use of the public restroom facilities 24 hours per day.
- * Design should allow some tourism displays to be viewable 24 hours per day.
- * Site design should incorporate facilities for a caretaker living on-site for security and cleaning.
- * Inclusion of truck parking would have to be considered.

Preliminary cost estimates for the welcome centers were extracted from the actual bid costs received for construction of the new Dwyer Junction Rest Area facilities for WYDOT located north of Wheatland, Wyoming (bid opening was November 2004) and for the Lusk Rest Area facilities near Lusk, Wyoming, and then utilized to project the anticipated costs for the new proposed welcome centers. In addition, the new visitor center costs have been adjusted for inflation for anticipated construction costs in 2008. The costs for truck parking and related roadway loop areas were not included in the Welcome Center estimates, but the building costs were increased for the larger facilities. It must be noted that the costs are generic at this point in time, as specific project locations are not known, so the impact upon site utilities, roadway access areas and other site related work is truly unknown. Selection of the actual sites will allow the costs to be refined and the estimated budget to be modified to fit each site.

The building costs were also compared to the actual costs for construction of the Fossil Butte visitor center building. This building has a more expensive design, structural system, interior and exterior materials and finishes than those used within the WYDOT prototype rest area buildings. Costs for the proposed Wyoming Welcome Centers are based on a building system and finishes that will fall between the two types of facilities, as this seems more appropriate for a significant

Agency: **WYOMING BUSINESS COUNCIL**
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 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

visual Wyoming gateway facility. The actual bid building costs for the 5344 sq. ft. Fossil Butte were \$500/sq. ft. (adjusted for inflation to 2004 year) and for 2377 sq. ft. Dwyer Junction \$270/sq. ft., so we have used \$350/sq. ft. for the ground level floor areas in the proposed cost estimate.

Using the above approach, the estimated project costs for each of the new Wyoming Welcome Centers is \$5,861,378 based on November of 2004 costs. Adding to these costs for 10% inflation per year, the estimated costs for each welcome center will be \$8,205,929 in November of 2008, or \$16,411,858 for both welcome centers. It should be noted that the inflation increase is volatile, difficult to predict, and could vary significantly from these costs. In addition, the cost will vary between each of the two sites depending on actual site design conditions and requirements.

Proposed interior design and exhibits would include interactive displays, including touch screen kiosks and monitor screens with interactive maps and video presentations, head phones for visitors to hear stories about Wyoming, its history and unique characters, stunning visual displays and large images and/or sculptures accompanied with interpretive text. Based on projects of similar scope and size, interior design and exhibits average \$350/sq. ft.

Furnishings, workstations and equipment are minimal and are proposed to include public seating and an area to review materials. To provide the best customer service possible, it is necessary to equip these facilities for the employees who inhabit them. The funding will be utilized for employee workstations and equipment which will allow employees to have a place to create reports, communicate via email with Wyoming Travel & Tourism state office, and store their vital data either on the computer or in necessary hard-copy files. Funding will also be used to provide furnishings for a break room.

As noted above, costs for yearly repairs, maintenance, janitorial cleaning, caretaker contracts, etc. are reoccurring yearly expenses. WYDOT provided two comparative site maintenance costs for various visitor centers and rest areas being maintained by WYDOT for inclusion in this report. Based on 2 comparable examples, being the Visitor Information Center in Sheridan and the Summit Rest Area on I-80, annual operational costs average \$100,000 in current dollars. Staffing requirements at the proposed I-90 and the South Dakota Border would include two full-time employees and two part-time employees for year round operation. In addition to salaries and employer paid benefits, the request includes travel (for the supervisor only), telephone and computer equipment. No additional staffing would be required for the I-25 and Colorado border Welcome Center. Staffing requirements are covered under current budget allotment.

THE REQUEST IN ITEM B BELOW ONLY COVERS THE RECURRING COSTS FOR PERSONNEL AND SUPPORTIVE SERVICES. PLEASE SEE THE CAPITAL CONSTRUCTION REQUEST FOR THE COSTS ASSOCIATED WITH THE CONSTRUCTION OF THE WELCOME CENTERS.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

1.	0201 - Building Maintenance	\$400,000
2.	0103 - Salaries (2 FT, 2 PT)	\$106,400
3.	0105 - Taxes & Benefits	\$ 65,522
4.	0221 - In-State Travel	\$ 2,000
5.	0231 - Office Supplies	\$ 3,000
6.	0204 - Postage	\$ 2,000
7.	0242 - 2 Computers	\$ 5,000
8.	0420 - Telephone	<u>\$ 16,000</u>

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

TOTAL **\$599,922** **100% General Fund**

C. PERFORMANCE JUSTIFICATION: The addition of two vital gateway Wyoming Welcome Centers has the potential to greatly impact the economic return of Wyoming tourism industry. By making Wyoming more visitor-friendly and easily accessible, visitors can be influenced to add to their travel plans, thus extending their length of stay and further contributing to destination spending at the local level. By providing quality travel information and having it readily available to the traveling public, Wyoming Travel & Tourism can directly benefit the economic opportunities of Wyoming’s travel-related businesses.

In recent intercept studies conducted by Michigan State University for the State of Michigan, the economic impact of the Welcome Center information programs was assessed by measuring the changes in traveler spending due to information provided by the state Welcome Centers. The impact measure includes only the additional spending during their current trip for those who received information and does not cover the influence of information or other Welcome Center services on future trips.

Results showed that 63% of vehicles stopping at the Welcome Centers during open hours in July and August reported using information provided at the Center. Many visitors reported a change in behavior as a result of the information provided: 10 out of every 100 vehicles stopping at the Welcome Centers spent more time in Michigan because of the travel information obtained at the Centers, 27% visited more attractions, 10% visited more restaurants, 18% traveled to more areas of Michigan than planned, and 19% spent more money in the state than planned. Visitors who reported spending more money than planned averaged an additional \$128 in spending on their trip, \$34 for recreation, \$30 for lodging, \$29 for food, \$11 in additional transportation expenses, and \$24 on other items.

GOVERNOR'S RECOMMENDATION

I recommend denial of this exception request as submitted.

11. PRIORITY #11 - FILM INCENTIVE and WYOMING FILM CONTEST

*****This request is contingent upon legislation being drafted by Representative Berger and the LSO. The legislation will carry the necessary appropriation of \$2.6 biennium.***

A. EXPLANATION OF REQUEST: In an effort to bring more film production to the state, this request is to offer a rebate that would be based on the percentage of taxable purchases made by a production company in the State of Wyoming. Depending on the total film production budget and dollars left in the State, the rebate could vary from 12%-15%. An increased rebate of 15% could exist if the project storyline is set in Wyoming since that enhances the opportunity for potential tourists to view Wyoming locations/tourism destinations on the motion picture or television screen.

Additionally, this request includes funds for a Wyoming film contest targeting independent filmmakers to shoot a project in Wyoming. The requirement for the film

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **TOURISM**
 Expense Org: **TOURISM**

Wyoming On Line Financial Codes				
AGY	AORG	EORG	FUND	APPR UNIT
085	2100	2102	001	210

contest will be to use Wyoming as a central character in the screenplay. The film could be used for tourism promotional purposes as a form of branded entertainment. Channels of distribution would include the Internet, e-mail marketing, film festivals, in-flight programming, trade shows and paid programming options.

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

1.	0814 - Other Refunds	\$2,000,000	
2.	0208 - Advertising & Promotion	<u>\$ 600,000</u>	
	TOTAL	\$2,600,000**	100% General Fund

C. PERFORMANCE JUSTIFICATION: The Film, Arts & Entertainment program for Wyoming Travel & Tourism is charged with exploring incentive programs that would make Wyoming more competitive in bringing the jobs, economic impact and tourism promotion that on-location filming contributes to a state. When film or ad companies work in Wyoming, the production company contributes significantly to the local economy through local crew hires, rentals and purchases. Viewing Wyoming locations/tourism destinations on the motion picture or television screen also impacts potential tourists significantly, and may affect their decision to visit Wyoming.

Other states have developed film incentive programs based on state income tax credits/rebates associated with local crew hires and sales tax exemptions/refunds. We feel that a sales tax exemption/refund alone will not be a substantial enough savings to persuade companies to film in Wyoming compared to what these others states and countries can offer. (i.e. The Montana Big Screen Act which will provide a 12% incentive based on hired Montana labor, as well as 8% incentive on qualified expenditures.)

Wyoming has recently lost two films with the storyline set in Wyoming because the company chose to film in Canada due to production savings/incentives. Based on the production budgets, below are two examples of the direct economic benefit to Wyoming had these films actually been shot here:

“An Unfinished Life” (2003)
 Wyoming-based story that shot on location in British Columbia, Canada
 Estimated production dollars that would have been spent in Wyoming - \$9 million
 15% Production Rebate Program return to production company - \$1,350,000
 Potential economic impact for Wyoming - \$7,650,000

“Brokeback Mountain” (2004)
 Wyoming-based story that shot on location in Alberta, Canada
 Estimated production dollars that would have been spent in Wyoming - \$6 million
 15% Production Rebate Program return to production company - \$900,000
 Potential economic impact for Wyoming - \$5,100,000

Agency: WYOMING BUSINESS COUNCIL
Approp Org: TOURISM
Expense Org: TOURISM

Wyoming On Line Financial Codes					
AGY	AORG	EORG	FUND	APPR	UNIT
085	2100	2102	001		210

Total estimated economic impact lost - \$12,750,000

GOVERNOR'S RECOMMENDATION

Not Applicable.

1		Wyoming On Line Financial System Codes					7
		2	3	4	5	6	
Agency Name: WYOMING BUSINESS COUNCIL							
Appropriation Organization Name: TOURISM							
Expense Organization Name: TOURISM							
		AGY AORG EORG FUND APPR UNIT					
		085 2100 2102 001 210					
Description Code		Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENDITURES							
SALARIES CLASSIFIED	0103	1,410,228	1,627,492	216,400	1,843,892	(106,400)	1,737,492
SALARIES OTHER	0104	135,000	135,000	0	135,000	0	135,000
EMPLOYER PD BENEFITS	0105	562,637	721,763	111,022	832,785	(65,522)	767,263
EXTERNAL COST ADJ - SALARIES	0198	0	89,015	0	89,015	0	89,015
EXTERNAL COST ADJ - BENEFIT	0199	0	17,624	0	17,624	0	17,624
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PERSONAL SERVICES	0100	2,107,865	2,590,894	327,422	2,918,316	(171,922)	2,746,394
REAL PROPTY REP & MT	0201	840	12,840	400,000	412,840	(400,000)	12,840
EQUIPMENT REP & MNTC	0202	2,815	815	0	815	0	815
UTILITIES	0203	0	1,000	0	1,000	0	1,000
COMMUNICATION	0204	186,764	192,764	2,000	194,764	(2,000)	192,764
DUES-LICENSES-REGIST	0207	70,265	90,265	0	90,265	0	90,265
ADVERTISING-PROMOT	0208	2,101,600	196,600	600,000	796,600	0	796,600
DATA PROCESSING	0209	4,700	0	0	0	0	0
MISCELLANEOUS	0210	1,095	8,095	0	8,095	0	8,095
TRAVEL IN STATE	0221	140,631	135,631	7,000	142,631	(2,000)	140,631
TRAVEL OUT OF STATE	0222	214,145	194,145	0	194,145	0	194,145
PERMANENTLY ASSIGNED VEHICLES	0223	31,728	33,728	0	33,728	0	33,728
EMPLOYEE MOVING EXPENSES	0224	0	0	0	0	0	0
ENT. HOST EXP. REIMBURSED	0227	34,000	16,000	0	16,000	0	16,000
OFFICE SUPPL-PRINTNG	0231	195,372	185,372	4,000	189,372	(3,000)	186,372
MTR VEH&AIRPLANE SUP	0233	1,000	0	0	0	0	0
FOOD FOOD SVC SUPPL	0234	0	0	0	0	0	0
MEDICAL-LAB SUPPLIES	0235	0	1,000	0	1,000	0	1,000
EDUCA-RECREATNL SUPP	0236	10,550	6,550	0	6,550	0	6,550
SOFT GOODS&HOUSEKPNG	0237	175	475	0	475	0	475
OTH REPAIR-MAINT SUP	0239	0	800	70,000	70,800	0	70,800
OFFICE EQUIP-FURNISH	0241	0	0	0	0	0	0
DP REPRODUCT OTH EQ	0242	2,500	0	7,500	7,500	(5,000)	2,500
FOOD SERVICE EQUIPMT	0244	0	0	0	0	0	0
EDUCATION-RECRE-TECH	0246	250,000	0	0	0	0	0
REAL PROPERTY RENTAL	0251	76,975	66,975	0	66,975	0	66,975
EQUIPMENT RENTAL	0252	30,425	25,425	0	25,425	0	25,425
PAYMENTS	0255	0	0	0	0	0	0
AWARDS-PRIZES	0271	0	0	0	0	0	0
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SUPPORTIVE SERVICES	0200	3,355,580	1,168,480	1,090,500	2,258,980	(412,000)	1,846,980
TELECOMMUNICATIONS	0420	76,584	79,560	19,000	98,560	(16,000)	82,560
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CENT. SERV./DATA SERV.	0400	76,584	79,560	19,000	98,560	(16,000)	82,560
CAPITAL OUTLAY	0701	55,000	0	0	0	0	0
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CAPITAL EXPENDITURES	0700	55,000	0	0	0	0	0
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OTHER REFUNDS	0814	0	0	2,000,000	2,000,000	0	2,000,000

EXPENSE ORGANIZATION BUDGET REQUEST

Agency Name: WYOMING BUSINESS COUNCIL		Wyoming On Line Financial System Codes				
Appropriation Organization Name: TOURISM		AGY	AORG	EORG	FUND	APPR UNIT
Expense Organization Name: TOURISM		085	2100	2102	001	210
1	2	3	4	5	6	7
Description	Standard Budget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
Code						
FUND SHIFT - FISCAL	0881	0	0	930,000	930,000	930,000
NON-OPERATING EXPENDITURES	0800	0	0	2,930,000	2,930,000	2,930,000
PROFESSIONAL FEES	0901	8,420,994	10,355,594	6,547,000	16,902,594	16,482,594
CONSULTING SERVICES	0902	0	0	0	0	0
SPECIAL PROJ & SVCS	0903	3,479,000	0	100,000	100,000	100,000
CONTRACTUAL TRAVEL	0905	0	0	0	0	0
ENVIRONMENTAL SERV. OTHER	0907	0	0	0	0	0
CONTRACTUAL SERVICES	0900	11,899,994	10,355,594	6,647,000	17,002,594	16,582,594
EXPENDITURE TOTALS		17,495,023	14,194,528	11,013,922	25,208,450	24,188,528
SOURCES OF FUNDING						
CURRENT YEAR RECOVERIES	9102	0	3,600	0	3,600	3,600
AGENCY FUND	A	0	3,600	0	3,600	3,600
GENERAL FUND	1001	16,741,423	14,190,928	11,013,922	25,204,850	24,184,928
GENERAL FUND	G	16,741,423	14,190,928	11,013,922	25,204,850	24,184,928
A&I NON-STATUTORY	5006	0	0	0	0	0
INTERNAL FUND	I	0	0	0	0	0
HIGHWAY NONSTATUTORY	5045	750,000	0	0	0	0
STATE AUDITOR	6403	3,600	0	0	0	0
SPECIAL REVENUE	R	753,600	0	0	0	0
TOTAL FUNDING		17,495,023	14,194,528	11,013,922	25,208,450	24,188,528

Agency: WYOMING BUSINESS COUNCIL
 Approp Org: WELCOME CENTERS
 Expense Org: WELCOME CENTERS

Wyoming On Line Financial Codes
 AGY AORG EORG FUND APPR UNIT
 085 7000 7001 C01 C01

Capital Construction Request

10. PRIORITY #10 - FACILITY REQUEST - WYOMING WELCOME CENTERS AT I-90 AND THE SOUTH DAKOTA BORDER, AND I-25 AND THE COLORADO BORDER

**Wyoming Travel & Tourism is currently exploring additional funding sources through WYDOT for possible Federal Highway Administration funds dedicated to roadside enhancements.*

A. EXPLANATION OF REQUEST: The primary mission of Wyoming Travel & Tourism is to promote travel to and within the state of Wyoming. In order to safely and adequately service tourists visiting Wyoming as a result of national and regional marketing efforts, Wyoming Travel & Tourism is requesting state-of-the-art, yet functional, facilities for the gateway entrances to Wyoming at I-90 and the South Dakota border, and I-25 and the Colorado border. Interstate highways are the most traveled places in our state, and these gateways shape visitors' impressions of Wyoming's image and identity. In addition, Welcome Centers provide a personal opportunity to engage travelers and expand their interest in tourist activities and destinations across the entire state. Wyoming communities and tourism-related businesses rely on cross promotion and sharing of information.

During Governor Herschler's administration, the Wyoming legislature appropriated monies for a gateway Welcome Center to be constructed near I-90 and the South Dakota border. However, due to subsequent budget constraints, the facility was never constructed. Wyoming's tourism industry has been waiting for over 20 years for a Welcome Center at this important gateway to Wyoming. Millions of people visit the Black Hills of South Dakota each year and Wyoming is missing a prime opportunity to invite those visitors to travel off the main roads and enjoy Wyoming's many less-known destinations. In 2004 alone, visitation at Mount Rushmore National Monument reached 2.7 million visitors.

The current Wyoming Welcome Center at I-25 and College Drive was constructed in the early 70's and houses the entire staff of Wyoming Travel & Tourism. While it remains a functioning facility, its location is not conducive to high visibility by travelers entering the state as it is located off the southbound lane of I-25. Furthermore, commercial development at the I-25 and College Drive interchange has resulted in heavy truck traffic and congestion at the off-ramps. A new facility south of Cheyenne will serve as a gateway to Wyoming, and if located on the east side of I-25, will be easily accessible to northbound travelers. We do not propose relocating the Division of Tourism with the construction of a new Welcome Center.

On July 7, 2005, an assessment trip was made to view the Fossil Butte National Monument visitor center facilities near Kemmerer, Wyoming. In many ways, the site and building design concepts utilized at this facility embodies the type of facilities desired for the new Wyoming Welcome Centers. Based upon the assessment of the Fossil Butte facilities and our subsequent meetings, the new Wyoming Welcome Centers would include the following elements:

* Site and building design should complement the surroundings, include natural landscape amenities, and present a "You have arrived in Wyoming"

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WELCOME CENTERS**
 Expense Org: **WELCOME CENTERS**

Wyoming On Line Financial Codes
 AGY AORG EORG FUND APPR UNIT
 085 7000 7001 C01 C01

statement. Entrance should have a significant “Wyoming Sign Marquee”, artwork, or other entrance marker.

- * Site and building design should incorporate both interior and exterior displays and small group sitting or theatre spaces, and should be functional with an efficient flow of space.

- * Site amenities should include walk paths, arbors, picnic tables, RV dump station, etc.

- * Site should accommodate parking for approximately 50 cars and 15 RV's. The current Cheyenne Visitor Center has parking for 39 cars and 15 RV's. Design should accommodate expansion of parking areas for future growth. Tourism has indicated that parking will not be included for trucks.

- * Building design should include 5000 square feet of main level area to include various welcome center functions (Wyoming and historical displays, small group theatre for video viewing, reception/information/tourism sit down help stations, supervisor offices), and also include public restrooms, pay phones, etc.

- * 5000 square feet of basement level area to include storage, mechanical, electrical, telecom. Basement should be designed to allow future expansion space with restrooms.

- * Allow for future growth and expansion of building facilities without reworking site parking and drive areas, or without complete renovation of existing facilities.

- * Each site location should consider the possibility of locating at an existing or new interstate interchange to also allow crossover access for travelers leaving the State and for maintenance personnel.

A decision will have to be made to determine if the facilities will function as a full rest area facility when the welcome center facilities are not open. Currently, the Summit Rest Area and the Sheridan Visitor Center function in this manner. The site and building design should incorporate this potential for future activity and provide for the following elements:

- * Design should allow the use of the public restroom facilities 24 hours per day.
- * Design should allow some tourism displays to be viewable 24 hours per day.
- * Site design should incorporate facilities for a caretaker living on-site for security and cleaning.
- * Inclusion of truck parking would have to be considered.

Preliminary cost estimates for the welcome centers were extracted from the actual bid costs received for construction of the new Dwyer Junction Rest Area facilities for WYDOT located north of Wheatland, Wyoming (bid opening was November 2004) and for the Lusk Rest Area facilities near Lusk, Wyoming, and then utilized to project the anticipated costs for the new proposed welcome centers. In addition, the new visitor center costs have been adjusted for inflation for anticipated construction costs in 2008. The costs for truck parking and related roadway loop areas were not included in the Welcome Center estimates, but the building costs were increased for the larger facilities. It must be noted that the costs are generic at this point in time, as specific project locations are not known, so

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 Approp Org: **WELCOME CENTERS**
 Expense Org: **WELCOME CENTERS**

Wyoming On Line Financial Codes
 AGY AORG EORG FUND APPR UNIT
 085 7000 7001 C01 C01

the impact upon site utilities, roadway access areas and other site related work is truly unknown. Selection of the actual sites will allow the costs to be refined and the estimated budget to be modified to fit each site.

The building costs were also compared to the actual costs for construction of the Fossil Butte visitor center building. This building has a more expensive design, structural system, interior and exterior materials and finishes than those used within the WYDOT prototype rest area buildings. Costs for the proposed Wyoming Welcome Centers are based on a building system and finishes that will fall between the two types of facilities, as this seems more appropriate for a significant visual Wyoming gateway facility. The actual bid building costs for the 5344 sq. ft. Fossil Butte were \$500/sq. ft. (adjusted for inflation to 2004 year) and for 2377 sq. ft. Dwyer Junction \$270/sq. ft., so we have used \$350/sq. ft. for the ground level floor areas in the proposed cost estimate.

Using the above approach, the estimated project costs for each of the new Wyoming Welcome Centers is \$5,861,378 based on November of 2004 costs. Adding to these costs for 10% inflation per year, the estimated costs for each welcome center will be \$8,205,929 in November of 2008, or \$16,411,858 for both welcome centers. It should be noted that the inflation increase is volatile, difficult to predict, and could vary significantly from these costs. In addition, the cost will vary between each of the two sites depending on actual site design conditions and requirements.

Proposed interior design and exhibits would include interactive displays, including touch screen kiosks and monitor screens with interactive maps and video presentations, head phones for visitors to hear stories about Wyoming, its history and unique characters, stunning visual displays and large images and/or sculptures accompanied with interpretive text. Based on projects of similar scope and size, interior design and exhibits average \$350/sq. ft.

Furnishings, workstations and equipment are minimal and are proposed to include public seating and an area to review materials. To provide the best customer service possible, it is necessary to equip these facilities for the employees who inhabit them. The funding will be utilized for employee workstations and equipment which will allow employees to have a place to create reports, communicate via email with Wyoming Travel & Tourism state office, and store their vital data either on the computer or in necessary hard-copy files. Funding will also be used to provide furnishings for a break room.

As noted above, costs for yearly repairs, maintenance, janitorial cleaning, caretaker contracts, etc. are reoccurring yearly expenses. WYDOT provided two comparative site maintenance costs for various visitor centers and rest areas being maintained by WYDOT for inclusion in this report. Based on 2 comparable examples, being the Visitor Information Center in Sheridan and the Summit Rest Area on I-80, annual operational costs average \$100,000 in current dollars. Staffing requirements at the proposed I-90 and the South Dakota Border would include two full-time employees and two part-time employees for year round operation. In addition to salaries and employer paid benefits, the request includes travel (for the supervisor only), telephone and computer equipment. No additional staffing would be required for the I-25 and Colorado border Welcome Center. Staffing requirements are covered under current budget allotment. **The annual recurring costs for personnel and supportive services are included in the Division's exception budget request for EORG 2102.**

B. REQUEST BY OBJECT CODE, FUNDING AMOUNT & FUND SOURCE:

- | | | |
|----|--|--------------|
| 1. | 0701 - Program Development Costs | \$ 3,157,644 |
| 2. | 0701 - Capital Outlay - Construction Costs | \$13,254,214 |
| 3. | 0701 - Interactive Design/Exhibits | \$ 3,500,000 |

Agency: **WYOMING BUSINESS COUNCIL**
 Approp Org: **WELCOME CENTERS**
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Wyoming On Line Financial Codes
 AGY AORG EORG FUND APPR UNIT
 085 7000 7001 C01 C01

4.	0701 - Furnishings/Work Stations/Equipment	\$ <u>58,576</u>	
	TOTAL	\$19,970,434*	100% General Fund

C. PERFORMANCE JUSTIFICATION: The addition of two vital gateway Wyoming Welcome Centers has the potential to greatly impact the economic return of Wyoming tourism industry. By making Wyoming more visitor-friendly and easily accessible, visitors can be influenced to add to their travel plans, thus extending their length of stay and further contributing to destination spending at the local level. By providing quality travel information and having it readily available to the traveling public, Wyoming Travel & Tourism can directly benefit the economic opportunities of Wyoming’s travel-related businesses.

In recent intercept studies conducted by Michigan State University for the State of Michigan, the economic impact of the Welcome Center information programs was assessed by measuring the changes in traveler spending due to information provided by the state Welcome Centers. The impact measure includes only the additional spending during their current trip for those who received information and does not cover the influence of information or other Welcome Center services on future trips.

Results showed that 63% of vehicles stopping at the Welcome Centers during open hours in July and August reported using information provided at the Center. Many visitors reported a change in behavior as a result of the information provided: 10 out of every 100 vehicles stopping at the Welcome Centers spent more time in Michigan because of the travel information obtained at the Centers, 27% visited more attractions, 10% visited more restaurants, 18% traveled to more areas of Michigan than planned, and 19% spent more money in the state than planned. Visitors who reported spending more money than planned averaged an additional \$128 in spending on their trip, \$34 for recreation, \$30 for lodging, \$29 for food, \$11 in additional transportation expenses, and \$24 on other items.

STATE BUILDING COMMISSION (SBC) RECOMMENDATION

The SBC is recommending \$10,000,000 general fund for a Welcome Center at the I-90 entrance to Wyoming from South Dakota. The SBC is recommending denial of \$9,970,434 general fund and the Welcome Center at the I-25 entrance to Wyoming.

Governor’s Recommendation

I concur with the State Building Commission and recommend approval of \$10,000,000 general fund for the I-90 Welcome Center and recommend denial of \$9,970,434 for the I-25 Welcome Center.

CAPITAL CONSTRUCTION EXPENSE ORGANIZATION BUDGET REQUEST

Agency Name: WYOMING BUSINESS COUNCIL Appropriation Organization Name: WELCOME CENTERS Expense Organization Name: WELCOME CENTERS		Wyoming On Line Financial System Codes					
		AGY 085	AORG 7000	EORG 7001	FUND C01	APPR UNIT C01	
1	2	3	4	5	6	7	
Description	Code	BaseBudget	Standard Budget	Exception Request	Total Agency Request	Governor's Changes	Governor's Recommendation
EXPENDITURES							
ARCHITECT SERVICES	00702	0	0	927,795	927,795	(463,898)	463,897
ENGINEERING SERVICES	00703	0	0	1,723,049	1,723,049	(861,524)	861,525
LAND PURCHASING	00705	0	0	140,000	140,000	(70,000)	70,000
GROUNDS DEVELOPMENT	00707	0	0	1,021,059	1,021,059	(510,529)	510,530
ROADS & SIDEWALKS	00708	0	0	2,259,625	2,259,625	(1,129,813)	1,129,812
UTILITY SYSTEMS	00709	0	0	1,727,028	1,727,028	(863,514)	863,514
FURNISHINGS & EQUIPMENT	00710	0	0	759,814	759,814	(379,907)	379,907
SPECIAL EQUIPMENT	00712	0	0	3,500,000	3,500,000	(1,750,000)	1,750,000
FEES & PERMITS	00713	0	0	67,200	67,200	(33,600)	33,600
BONDING & INSURANCE	00714	0	0	259,887	259,887	(129,943)	129,944
LANDSCAPING	00715	0	0	434,604	434,604	(217,302)	217,302
FACILITY	00716	0	0	7,114,799	7,114,799	(3,542,617)	3,572,182
OTHER	00718	0	0	35,574	35,574	(17,787)	17,787

TOTAL BY EXPENSE ORG		0	0	19,970,434	19,970,434	(9,970,434)	10,000,000

SOURCES OF FUNDING							
GENERAL FUND	1001	0	0	19,970,434	19,970,434	(9,970,434)	10,000,000

GENERAL FUND	G	0	0	19,970,434	19,970,434	(9,970,434)	10,000,000

TOTAL BY FUNDS		0	0	19,970,434	19,970,434	(9,970,434)	10,000,000