

## FY23 Budget Performance Review

### 56600 Oklahoma Tourism and Recreation Department

Lead Administrator: Jerry Winchester

Lead Financial Officer: Katherine Nichols

#### Agency Mission

The mission of the Oklahoma Tourism and Recreation Department (OTRD) is to advance the exceptional quality of life in Oklahoma by preserving, maintaining and promoting the state's natural assets and cultural richness. As the steward of the state park system, OTRD is the caretaker of Oklahoma's diverse, magnificent natural resources. OTRD also plays a critical role in enhancing the state's economy through the promotion of Oklahoma as a destination and provides leadership and guidance to communities across the state by working together to propel the state forward.

#### Division and Program Descriptions

**Note: Please define any acronyms used in program descriptions.**

**State Parks**  
*Conserves Oklahoma's natural resources, provides recreational opportunities for citizens and visitors, and serves as an economic catalyst in rural Oklahoma; manages 31 parks, 5 lodges, and 7 golf courses. The Park System includes more than 62,000 acres of natural resources, historic structures, cabins, campsites, scenic trails, boating opportunities, and other public recreational facilities.*

**Travel Promotion**  
*Formulates and manages information, plans and programs designed to market and generate travel in the state; manages and disseminates information about the state's public and private attractions, events, parks and recreational facilities; assists municipalities, public and private associations and organizations promote and develop special events and attractions that impact the local economy.*

**Administration**  
*Coordinates the fiscal and human resources activities of the operating divisions; provides financial information, fiscal control, purchasing services, personnel administration, and training to other divisions; sets and interprets Oklahoma Tourism and Recreation policy and procedures.*

#### FY'22 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
1010000	Parks	\$14,796,449	\$2,500,000	\$27,149,608	\$1,949,111		\$46,395,168
1020000	Golf Courses			\$3,494,602			\$3,494,602
1030000	Resorts	\$1,278,611		\$8,648,277			\$9,926,888
2010000	Travel and Tourism	\$328,234		\$2,404,198	\$5,904,663		\$8,637,095
2020000	Tourism Information Centers	\$909,425		\$1,245,330			\$2,154,755
2030000	TRIP	\$821,042		\$426,119			\$1,247,161
2040000	Oklahoma Today			\$1,241,583			\$1,241,583
2050000	Discover Oklahoma			\$879,825			\$879,825
2060000	Multi County Organizations	\$676,084					\$676,084
4010000	Administration	\$3,428,266		\$576,873			\$4,005,139
7020000	OK Film & Music	\$712,279					\$712,279
8800088	Information Technology	\$511,211		\$2,331,869			\$2,843,080
9020000	Capital Projects				\$8,485,948		\$8,485,948
9030000	Other Capital Projects				\$2,627,702		\$2,627,702
Total		\$23,461,601	\$2,500,000	\$48,398,284	\$18,967,424	\$0	\$93,327,309

1. Please describe source of Local funding not included in other categories: Apportionment from Oil & Gas, Sales and Use tax in funds 22500, 26600, and 26700.

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

#### FY'21 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
19101	Appropriations	\$300,000					\$300,000
							\$0

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

#### What changes did the agency make between FY'21 and FY'22?

**1.) Are there any services no longer provided because of budget cuts?**

No, but the Agency has begun a cyclical maintenance program at the parks that will result in some services and park areas being terminated. This termination is based upon decades of decay and neglect rather than budget cuts in any single year.

**2.) What services are provided at a higher cost to the user?**

As allowed under 74 OS Section 2220, OTRD has changed rates for lodging at state parks. The primary change allows the rate to fluctuate based upon demand, which is normal for the hospitality industry. If demand is higher, prices increase. If demand is lower, discounts are offered. The net effect over time is increased revenues, but that effect is generally negligible to most individual

**3.) What services are still provided but with a slower response rate?**

Generally speaking, OTRD has improved its service quality in every area with the same budget as FY22.

**4.) Did the agency provide any pay raises that were not legislatively/statutorily required?**

Yes, see attached document.

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**FY'23 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
1010000	Parks	\$15,602,381	\$2,500,000	\$29,098,719	\$0	\$47,201,100	1.74%
1020000	Golf Courses	\$52,133	\$0	\$3,494,602	\$0	\$3,546,735	1.49%
1030000	Resorts	\$1,661,931	\$0	\$8,648,277	\$0	\$10,310,208	3.86%
2010000	Travel and Tourism	\$1,828,234	\$0	\$8,308,861	\$0	\$10,137,095	17.37%
2020000	Tourism Information Centers	\$909,425	\$0	\$1,245,330	\$0	\$2,154,755	0.00%
2030000	TRIP	\$821,042	\$0	\$426,119	\$0	\$1,247,161	0.00%
2040000	Oklahoma Today	\$0	\$0	\$1,241,583	\$0	\$1,241,583	0.00%
2050000	Discover Oklahoma	\$0	\$0	\$879,825	\$0	\$879,825	0.00%
2060000	Multi County Organizations	\$676,084	\$0	\$0	\$0	\$676,084	0.00%
4010000	Administration	\$3,428,266	\$0	\$576,873	\$0	\$4,005,139	0.00%
7020000	OK Film & Music	\$0	\$0	\$0	\$0	\$0	-100.00%
8800088	Information Technology	\$511,211	\$0	\$2,331,869	\$0	\$2,843,080	0.00%
9020000	Capital Projects	\$0	\$0	\$8,485,948	\$0	\$8,485,948	0.00%
9030000	Other Capital Projects	\$19,300,000	\$0	\$2,627,702	\$0	\$21,927,702	734.48%
<b>Total</b>		<b>\$44,790,707</b>	<b>\$2,500,000</b>	<b>\$67,365,708</b>	<b>\$0</b>	<b>\$114,656,415</b>	<b>22.85%</b>

1. Please describe source(s) and % of total of "Other" funding for each department:
2. Note: Oklahoma Film & Music was moved to the Department of Commerce in FY22. OTRD will not accept funding for the program in FY23.
3. Note: Local funding identified in FY22 Budget above is included in Revolving for FY23.
4. Note: Funding includes all Operating and Supplemental Requests.

**FY'23 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	State Park Capital Maintenance	\$19,300,000
Request 2:	Protective Services Pay Raise	\$361,322
Request 3:	Workforce Salary Increases	\$880,063
Request 4:	Advertising Campaign	\$1,500,000
<b>Top Five Request Subtotal:</b>		<b>\$22,041,385</b>
<b>Total Increase above FY-22 Budget (including all requests)</b>		<b>\$ 22,041,385</b>
Difference between Top Five requests and total requests:		\$0

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

No.

**How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)**

The agency is requesting enough funds to properly fund all capital maintenance, increase workforce salary for retention, and Travel Promotion Advertising. Capital maintenance required for \$1.1B of state assets would be impacted and result in the reduction of assets. Advertising efforts in Travel Promotions would suffer a reduction in production services such as the Travel Guides or other operations. OTRD is committed to providing Top Ten State Parks and Advertising and that goal requires adequate funding.

**How would the agency handle a 2% appropriation reduction in FY '23?**

The agency is requesting enough funds to properly fund all capital maintenance, increase workforce salary for retention, and Travel Promotion Advertising. Capital maintenance required for \$1.1B of state assets would be impacted and result in the reduction of assets. A reduction in appropriations would force OTRD to reduce assets even greater. OTRD is committed to providing Top Ten State Parks and Advertising and that goal requires adequate funding.

**Is the agency seeking any fee increases for FY '23?**

Increase	Request (\$)	Statutory change required? (Yes/No)
Increase 1	No.	

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

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
20.219	Recreation Trails Program (RTP)	1010000	2,000,000	2,350,690	1,022,087	1,650,198	2,348,775
15.916	Land & Water Conservation Fund (LWCF)	1010000	500,000	960,919	516,351	638,999	765,939
15.622	Boating Infrastructure Grant (BIG)	1010000	-	-	-	400,000	-

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**Federal Government Impact**

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**

All of the Federal Funds.

**2.) Are any of those funds inadequate to pay for the federal mandate?**

Yes, all of them.

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**

Fewer services but also less budget required from the agency. We are now evaluating every request on a case-by-case basis to determine the impact on OTRD and will only approve those that provide what we believe is an adequate return

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**

The effect would be negligible.

**5.) Has the agency requested any additional federal earmarks or increases?**

No.

**FY'22 Budgeted FTE**

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
10	<b>Parks Division</b>						
	Regular	47	78	428.5	337.5	164	5
	Seasonal		0.75	236.75	237.5		
20	<b>Travel Promotion</b>						
	Regular	12	2	51.75	12.75	37	4
	Seasonal			25.5	25.5		
40	<b>Administration</b>						
	Executive	2		2			
	Regular	8		31		25	8
	Seasonal			0.74		0.75	
<b>Total</b>		<b>69</b>	<b>80.75</b>	<b>776.24</b>	<b>613.25</b>	<b>226.75</b>	<b>17</b>

**FTE History**

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013
10	Parks	744.0	846.0	604.5	584.5	
20	Travel Promotion	79.3	83.0	62.5	17.8	
40	Administration	33.8	37.0	28.0	23.3	
<b>Total</b>		<b>857.0</b>	<b>966.0</b>	<b>695.0</b>	<b>625.5</b>	<b>0.0</b>

**Performance Measure Review**

	FY 21	FY 20	FY 19	FY 18	FY 17
<b>State Parks</b>					
# of State Park Visitors Statewide (Millions)	11.6	11.525	9.2	9.9	9.7
Average # of Visitors per Park	NA	NA	287,500	309,375	293,939
Lodge Occupancy Rates	30%	25%	35%	39%	39%
Revenue as percent of Expenditures	72%	61%	69%	68%	76%
Concession Revenue	\$1,803,095	\$1,428,032	\$1,283,566	\$910,899	\$1,127,000
<b>Travel Promotions</b>					
Direct Visitor Spending (Billions)	NA	NA	\$9.59	\$8.94	\$8.57
Tourism Jobs Supported by Visitor Spending	NA	NA	103,600	100,900	100,100
Total Earnings Supported by Visitor Spending (Billions)	NA	\$2.37	\$2.40	\$2.29	\$2.23
State Tax Generated by Visitor Spending (Millions)	NA	NA	\$408	\$384	\$368
ROI from OTRD's Spring Marketing Campaign (State & Local Taxes)	NA	NA	6:1	7:1	6:1
U.S. Domestic Visitors to Oklahoma (Millions)	NA	NA	21.49	21.14	22.02
OK Market Share of U.S. Domestic Travel (%)	NA	NA	1.60	1.40	1.70
Total Reach of all Travel Promotion Programs	NA	1+ billion	1+ billion	1+ billion	91+ million
# of visitors at the State's Tourism Information Centers	NA	NA	1,745,860	1,753,734	1,731,555
<b>Amounts not available due to COVID-19 and change in industry standards.</b>					

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**Revolving Funds (200 Series Funds)**

<i>Please provide fund number, fund name, description, and revenue source</i>	<b>FY'19-21 Avg. Revenues</b>	<b>FY'19-21 Avg. Expenditures</b>	<b>June '21 Balance</b>
<b>21500 OTRD Revolving Fund</b>			
<i>OTRD's main revolving fund; most revenues are deposited in this fund.</i>	\$35,057,348	\$34,308,298	\$12,164,500
<b>22500 OTRD Travel Promotion Revolving Fund</b>			
This fund is for deposits of the sales and use tax apportionment for Travel and Tourism's promotion and marketing expenditures. The apportionment cap is \$5,750,000.	\$5,757,236	\$5,808,025	\$1,597,297
<b>25000 State Park System Improvement Revolving Fund</b>			
This fund consists of all monies that are received by the Department from all entrance or day-use charges for the state park system, including charges for an annual pass for visitors to the state parks.	\$709,815	\$116,145	\$2,894,914
<b>26500 Color Oklahoma Revolving Fund</b>			
Proceeds from the sale of Color Oklahoma license plates are deposited and sent to Native Plant Society.	\$5,813	\$5,813	\$0
<b>26600 OTRD Capital Revolving Fund</b>			
This fund was created for deposits from the REAP Water Projects Fund. The apportionment cap is \$2,627,702.	\$3,064,307	\$3,363,333	\$3,748,170
<b>26700 OTRD Capital Revolving Fund</b>			
This fund is for deposits of the sales and use tax apportionment for state park capital maintenance beginning in FY-2007. The apportionment cap is \$10,370,000.	\$10,368,269	\$12,428,895	\$2,116,179
<b>28000 OTRD Reimbursement and Donation Revolving Fund</b>			
This fund is for insurance, reimbursements and donations only.	\$1,040,462	\$763,315	\$833,102