

OKLAHOMA TOURISM AND RECREATION DEPARTMENT

**ECONOMIC IMPACT:**

**Tourism is the state's third largest industry.**

- According to the U.S. Travel Association, during 2013, expenditures by domestic and international travelers in Oklahoma topped **\$7.5 billion (up 26% since 2009)**.
  - These expenditures generated **\$403.8 million in tax revenue for the state treasury** and **\$201 million in local taxes**. In 2013.
  - Overall, tourism spending in Oklahoma generated **\$1.14 billion in tax revenue for federal, state and local governments in 2013**.
- Oklahoma's tourism industry is also a **vital employer – 79,700 jobs** were generated by Oklahoma's tourism industry in 2013, representing 7% of the state's total non-farm employment.

**AGENCY MISSION STATEMENT:**

The mission of the Tourism and Recreation Department is to advance the exceptional quality of life in Oklahoma by preserving, maintaining and promoting our natural assets and cultural richness through tourism.

Adopted by the Oklahoma Tourism & Recreation Commission on February 26, 2014.

**LEAD ADMINISTRATOR:**

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**GOVERNANCE:**

The Oklahoma Tourism and Recreation Commission is the policy-making body for the Oklahoma Tourism and Recreation Department. The Commission consists of eight (8) members, one (1) from each congressional district, with the balance representing the state at-large. They serve a term of six (6) years. The Lieutenant Governor serves as Chair and is an ex officio voting member of the Commission.

According to statute, the Tourism Commission has the following powers, rights and duties:

- Sue and be sued;
- Adopt, use, and alter an official seal;
- Make bylaws for the management and regulation of its affairs;

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- Appoint, prescribe the duties, and fix the compensation for officers, agents, and employees;
- Make contracts and execute instruments as in the judgment of the Commission are necessary or convenient to the exercise of the powers conferred upon it by law; and
- Promulgate rules and policies necessary and convenient to the exercise of the powers conferred upon it by law.

**Is the agency headed by a Governor appointee?** No

**An appointee of an independent board?** The Executive Director is hired by the Commission.

**Who selects the board, and who are the current members of the board?** Commission members are appointed by the Governor, with the advice and consent of the Senate, and serve at the pleasure of the Governor.

**Current commissioners:**

Todd Lamb, Lt. Governor, Oklahoma City (Chair)

Gean Atkinson, Oklahoma City

Ronda Roush, Tulsa

Dr. Rick Henry, Altus

Robyn Batson, Broken Bow

Julie Jacobs Daniels, Bartlesville

Xavier Neira, Norman

Chuck Perry, Grove

T.L. Walker, Ponca City

**Does the Board have any committees or subgroups?** No

**GOVERNANCE ACCOUNTABILITY:**

**Please provide copies of the minutes for any Commission/Board meetings the agency has had in the last twelve months in electronic format (Only in PDF format).** Copies of the minutes were transmitted separately.

**Is there an attendance policy for board members/commissioners?** No

**MODERNIZATION EFFORTS:**

Please provide a listing of all government modernization efforts undertaken by the agency in the last twelve months. Additionally, please provide any authorizing statutory changes that prompted the modernization efforts and whether those efforts have led to cost savings or additional cost burden.

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- Expanded online campground reservations to more state park properties. Nineteen parks now have online campground reservation capabilities.
- Converted park residences at Greenleaf and Sequoyah State Parks to public rental cabins. Both will have a significant impact on cabin revenues at these parks.
- A total of 50 private business concessionaires provided recreational services and support in state parks (marinas, horseback riding, canoeing, bicycle rental, water sports, groceries, and snack bars are examples of private operations). Concession payments to the Division of State Parks amounted to \$954,454 in FY14 based on gross sales of \$21,984,337, which is an increase of more than 5% over FY13.
- In August of 2014, Governor Fallin and area legislators joined the Commission at the groundbreaking ceremony for the new lodge at Lake Murray State Park, the oldest and largest state park. Legislation passed in 2012 authorized OTRD to utilize \$15 million from the State Park Trust Fund to construct the new lodge. The trust fund contains proceeds from oil and gas contracts. No appropriated funds will be requested for this construction project and no funds will be borrowed from lenders. Completion of this project is targeted for 2016 and will boost tourism at Lake Murray.

**What steps has the agency taken to cut costs and/or eliminate waste?**

Despite a 5.27% budget cut and the transfer of \$3.7 million from two agency revolving funds in FY15, the Oklahoma Tourism and Recreation Department, through cost-cutting measures and sound management practices, has continued its track record of wise stewardship of taxpayer funds.

- The agency has continued to shift resources from traditional advertising formats and marketing strategies to digital. Since 2011, we have transitioned from television, radio and newspaper buys to a more cost-efficient, results-driven mix of television, digital marketing and social media platforms. This has also enabled us to reach previously untapped and unaffordable advertising markets while expanding our marketing reach.
- Increased the self-sufficiency of State Park properties to 67% for FY14, up from 65% in FY13.
- Expanded marketing to attract new customers to State Parks during the off-season through the use of Groupon, Amazon Local, and Living Social promotions. The 2014/15 winter sales program is still underway but results are already showing sales increases over FY14 which resulted in 6,481 promotional offers purchased. This effort has expanded winter use of state parks cabins, lodge rooms, and golf courses at 13 park properties.
- Walnut Creek State Park had been leased by OTRD from the Corps of Engineers in 1965. The lease was due to expire December 31, 2015, but due to budget cuts, the park was returned to the Corps for operation on October 1, 2014 – one year early. Annual savings of approximately \$150,000.

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- OTRD has developed and implemented a plan to engage the private sector and build partnerships that are mutually beneficial.
  - Strengthened a partnership with BP which has a history of oil and gas drilling at Robbers Cave State Park. In 2014, BP donated a 2nd CNG vehicle for use at Robbers Cave. BP is also providing \$12,000 in financial support toward a Treehouse Cabin at Robbers Cave – the 1st in the State Park system.
  - The agency's partnership with Floyd's RV increased from a \$15,000 sponsorship in 2014 to \$50,000 in 2015.
  - Oklahoma Ford Dealers annually support OTRD with \$36,000 for Oklahoma Today and \$24,000 for Discover Oklahoma. Since the inception of this partnership, Ford has provided \$240,000 in financial support as well as a vehicle valued at \$45,000.
  - The Heartland Flyer has also signed on with a \$12,000 sponsorship of Discover Oklahoma.
  - Completed three Oklahoma travel shows for private sector partners: the NCED/Postal Training Center (Norman), ConocoPhillips (Bartlesville), and Continental Resources (OKC).

**Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?**

Making government efficient and effective requires more than cutting waste and streamlining programs. We must re-educate state employees on the role of government and teach them how to innovate and think like entrepreneurs. Whether it's eliminating debt to save interest, transferring or leasing assets to private entities to save operational costs, utilizing seasonal labor when practical, converting to CNG fueled vehicles, building public-private partnerships, or partnering with other agencies to achieve cost savings, there is much we can do to cut overhead and increase agency self-sufficiency.

**CORE MISSION:**

**What services are you required to provide that are outside of the agency's core mission?** None

**Are there any services you provide duplicated or replicated by another agency?** No

**Are there services which are core to your mission that you are unable to perform because of requirements to perform non-core services elsewhere?** No

**PRIVATE ALTERNATIVES:**

**Are there any services performed by the agency that are also performed in the private sector in Oklahoma?**

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Some might argue that Discover Oklahoma television show and Oklahoma Today magazine perform services found in the private sector. However, while there are TV shows and magazines in the marketplace, none are exclusively focused on promoting Oklahoma tourism, the state's 3<sup>rd</sup> largest industry.

Both the show and the magazine complement OTRD's marketing efforts because, despite their objective editorial format, they both are designed to sell the state and its tourism venues. In other words, they are both essentially advertising with substantial reach:

- Oklahoma Today, the official state magazine, had newsstand and subscription sales of 170,882 and revenue of \$841,600 in FY14.
- Discover Oklahoma marks its 24th anniversary on April 27th of this year and had 3,314,000 viewers in 5 broadcast media markets during 2014. Earned revenue for the program was \$244,037 for FY14.

Neither Oklahoma Today nor Discover Oklahoma received appropriated funds in FY13 or FY14.

**In other states?** No

**Has the agency been approached by any foundation, for-profit or not-for-profit corporation with efforts to privatize some of the functions of the agency?**

OTRD has a solid record of privatization and public-private partnerships:

- The agency has lease agreements with the Chickasaw Nation for the Thackerville Tourism Information Center and Cherokee Nation Entertainment, LLC, for the Cherokee Turnpike and Catoosa tourism information centers, the Choctaw Nation for the Colbert Tourism Information Center, as well as a lease agreement with the City of Midwest City for the Midwest City Tourism Information Center. OTRD continues to evaluate opportunities for additional partnerships that will maintain the same level of services to travelers as they become available.
  - The most recent of these agreements was for the lease of the Colbert Tourism Information Center to the Choctaw Nation. As an example, this will save the agency \$186,298 annually or \$931,490 over the term of the five-year contract. The contract has an automatic five-year renewal, unless it is cancelled by either party. Over ten years, the agency will save more than \$1.86 million.
- Fountainhead Golf Course is currently leased to the Muscogee-Creek Nation.
- All state park concessions (marinas, horseback riding, canoeing, bicycle rental, water sports, groceries, and snack bars) have been privatized.