

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY16-17 Executive Budget Review

Department of Culture, Recreation and Tourism

House Committee on Appropriations
by the House Fiscal Division

April 4, 2016

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DEPARTMENT MISSION

Mission Statement

The mission of the Department of Culture, Recreation and Tourism is to preserve and enhance Louisiana's unique heritage and natural landscape; provide cultural, informational, and recreational resources; and promote the use of these resources by our diverse citizens and visitors.



Pontalba in New Orleans

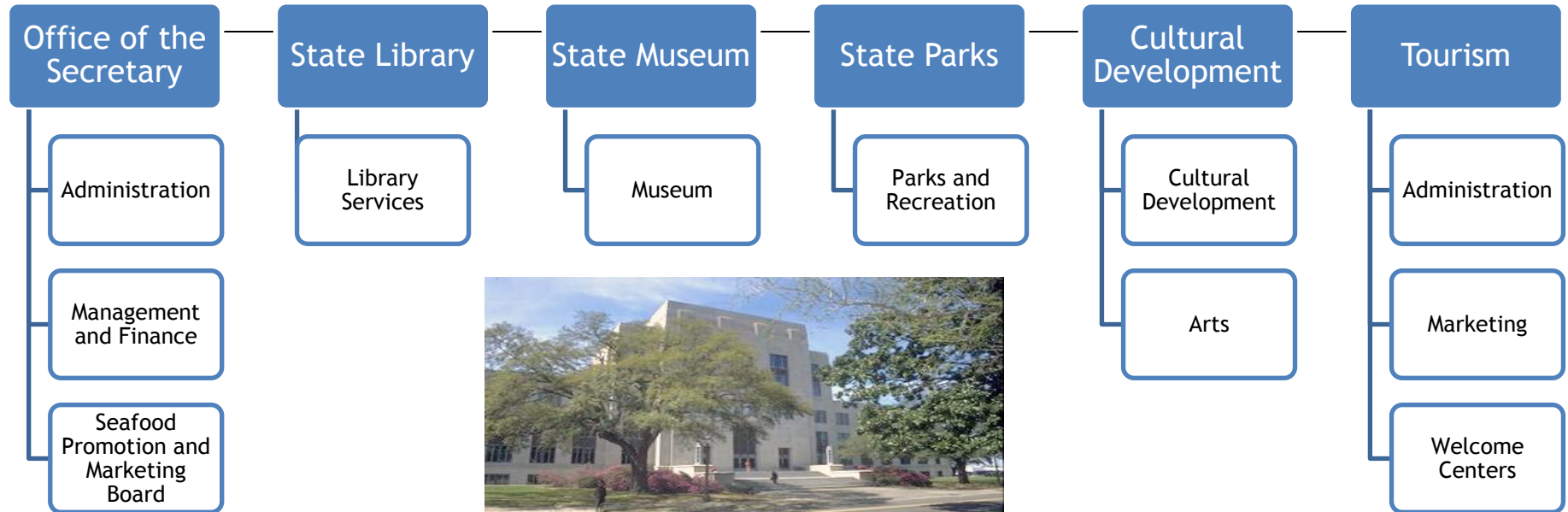


South Toledo Bend State Park



Fort Jessup Historic Site

DEPARTMENT ORGANIZATION



CRT Headquarters in the Capitol Annex

DEPARTMENT FUNCTIONS

Office of the Secretary

The Administration Program manages the Office of State Parks, the Office of Tourism, the Office of State Museums, the Office of Cultural Development, and the Office of State Library.

The Office of Management and Finance performs “back office functions” including human resources and fiscal and information services for the six offices within the Department and the Office of the Lieutenant Governor.

The Seafood Promotion Board is mandated by law to strengthen and revitalize the Louisiana seafood industry, to identify threats, and execute strategic plans to meet them and overcome them. The Board is composed of 14 members appointed by the Lieutenant Governor. Each represents a sector of the industry: harvesters/farmers, processors/wholesalers, restaurateurs/retailers, and marketing specialists.

Office of the State Library

Provides library services to citizens through a central location in Baton Rouge and through monetary grants and circulation loans to city and parish libraries.

Office of State Museum

The Office of State Museum is a statewide museum system that collects, preserves, and interprets buildings, documents, and artifacts that reveal Louisiana’s history and culture. The museum presents those items using both traditional and innovative technology to educate, enlighten, and provide enjoyment for the people of Louisiana and its visitors in locations throughout the state.

The OSM maintains the Cabildo, the Presbytere, the Old U.S. Mint, 1850 House, Madame John’s Legacy, Capitol Park Museum, E.D White Historic Site, La. Sports Hall of Fame and Northwest La. History Museum and the Wedell-Willams Aviation and Cypress Sawmill Museum.

DEPARTMENT FUNCTION

Office of State Parks

The Office of State Parks operates 23 state parks and 19 state historic sites.

Office of Cultural Development

The Cultural Development Program administers statewide programs, provides technical assistance and education to survey and preserve Louisiana's historic buildings through the program's major components: Historic Preservation, Archaeology, and the Council for Development of French in Louisiana.

The Arts Program supports established arts institutions, nurtures emerging arts organizations, assists individual artists, encourages the expansion of audiences, and stimulates public participation in the arts while developing Louisiana's cultural economy.

Office of Tourism

The Administration Program coordinates the efforts and initiatives of the other programs in the Office of Tourism with the advertising agency, other agencies in the department, and other public and private travel industry partners in order to achieve the greatest impact on the tourism industry in Louisiana. The goal of the Administration Program is to derive the maximum return on investment from dollars invested in the Marketing Program, advertising, and promotion by the Office of Tourism.

Louisiana's Welcome Centers, which are located along major highways entering the state and in two of Louisiana's largest cities, provide a safe, friendly environment in which to welcome visitors, provide them information about area attractions, and to encourage them to spend more time in the state.

State Parks and Historic Site Map



STATE PARKS & HISTORIC SITE LIST

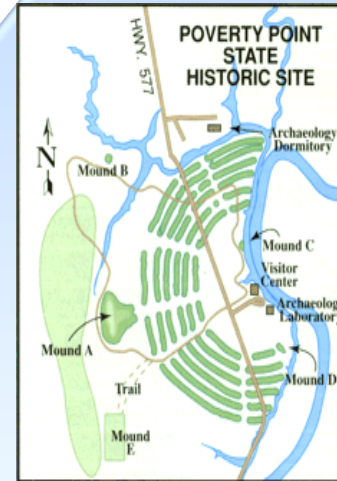
23 Parks

Louisiana State Arboretum
Bayou Segnette
Bogue Chitto
Chemin-A-Haut
Chicot
Cypremort Point
Fairview-Riverside
Fontainebleau State Park
Grand Isle
Hodges Gardens
Jimmie Davis
Lake Bistineau
Lake Bruin
Lake Claiborne State Park
Lake D'Arbonne
Lake Fausse Pointe
North Toledo Bend
Palmetto Island
Poverty Point Reservoir
St. Bernard
Sam Houston Jones
South Toledo Bend
Tickfaw



19 Sites

Audubon
Centenary
Fort Jesup
Fort Pike
Fort St. Jean Baptiste
Forts Randolph & Buhlow
Kent Plantation House
Locust Grove
Longfellow-Evangeline
Los Adaes
Mansfield
Marksville
Otis House at
Fairview-Riverside
Plaquemine Lock
Port Hudson
Poverty Point
Rebel
Rosedown Plantation
Winter Quarters



STATE MUSEUM LOCATIONS



Cabildo/Presbytere



Madame John's Legacy



Wedell-Williams Aviation and
Cypress Sawmill Museum



Old Mint



1850 House



Louisiana Sports
Hall of Fame

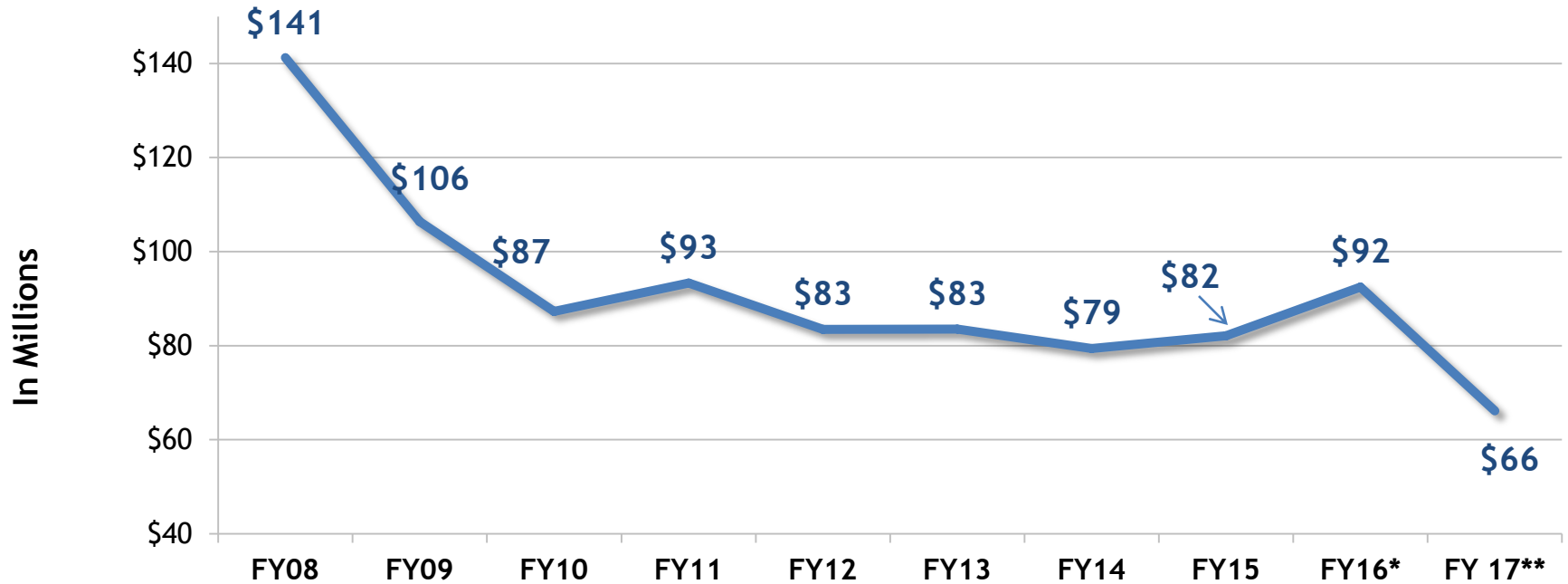


E.D. White Historic Site/Museum



Louisiana State Museum

BUDGET HISTORY



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15

MEANS OF FINANCE BREAKDOWN

| Means of Financing | FY 14-15 Prior Year Actual Expenditures | FY 15-16 Existing Operating Budget | FY 16-17 Executive Budget Recommendation | \$ Change from Existing | % Change from Existing |
|-------------------------------|--|--|---|-------------------------------|------------------------------|
| State General Fund | \$34,486,802 | \$ 38,190,049 | \$ 14,099,258 | (\$24,090,791) | (63.1%) |
| Interagency Transfers | \$5,184,693 | \$ 5,830,379 | \$ 5,382,036 | (\$448,343) | (7.7%) |
| Fees and Self-Gen Rev. | \$24,301,138 | \$ 30,499,159 | \$ 25,649,243 | (\$4,849,916) | (15.9%) |
| Statutory Dedications | \$12,784,808 | \$ 10,426,959 | \$ 13,790,913 | \$3,363,954 | 32.3% |
| Federal Funds | \$5,317,181 | \$ 7,518,319 | \$ 7,211,871 | (\$306,448) | (4.1%) |
| Total Means of Finance | \$82,074,622 | \$92,464,865 | \$66,133,321 | (\$26,331,544) | (28.5%) |

The Division of Administration estimates that \$38.1 in State General Fund is needed in FY 17 to fully fund projected normal operating costs and other priorities. Therefore, \$24 million additional SGF is needed to fully fund operations.

MAJOR SOURCES OF REVENUE

Statutory Dedications \$13.8 Million

The department has five sources of Statutory Dedication revenue. The largest of these dedications is the State Parks Improvement and Repair Fund which has increased by \$3.2 million from FY 16 to FY 17, or 25%. Below is a list of all the proposed amount for dedications:

| | |
|--|-----------|
| •La. State Parks Improvement and Repair Fund | \$12.7 M |
| •Seafood Promotion and Marketing Fund | \$534,484 |
| •Poverty Point Reservoir Development Fund | \$500,000 |
| •Archaeological Curation Fund | \$25,478 |
| •Audubon Golf Trail Development Fund | \$12,000 |

Federal Funds \$7.2 Million

Federal Funds are from:

- U.S. Department of Commerce's National Marine Fisheries Service
 - Library Services and Technology Act
 - Act 128 of 1965 and Act 685 of 1972
 - Land and Water Conservation fund.
- These funds are a matching assistance program in which state agencies and political subdivisions participate in acquisition and development of projects for outdoor recreation.

IAT \$5.4 Million

These are mostly transfers between agencies in the department for operations.

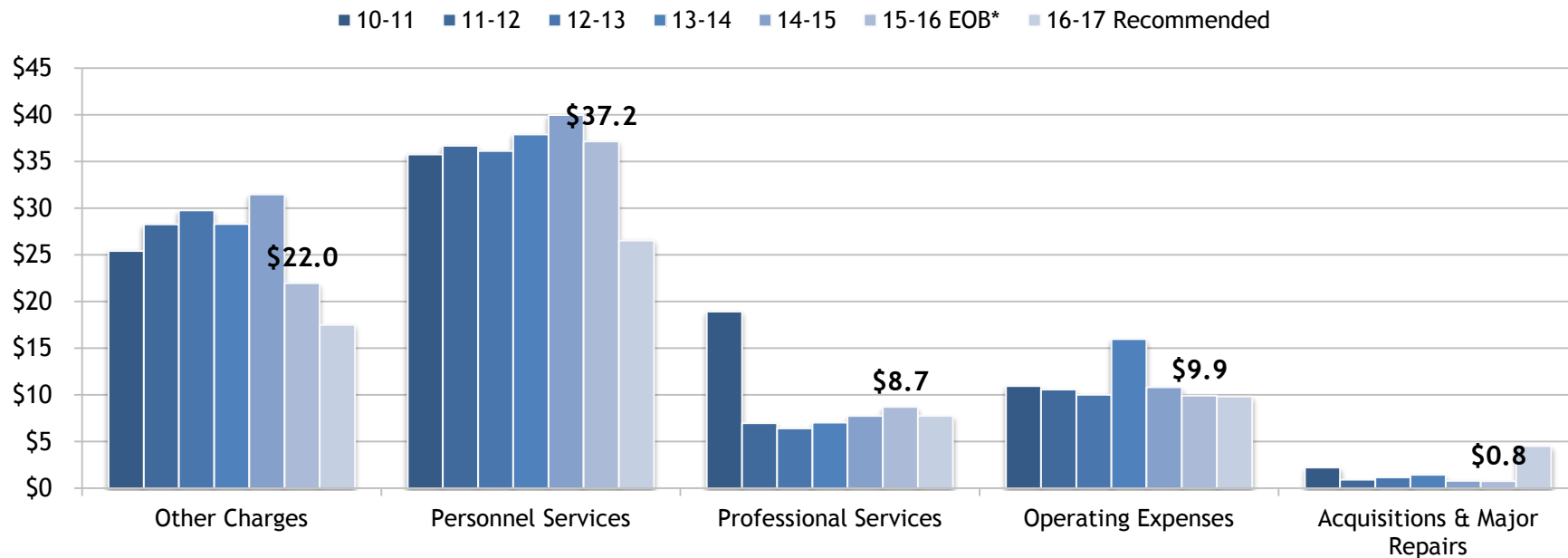
Self-Generated \$25.6 Million

•The Fees and Self-generated Revenues are mainly derived from the Louisiana Tourism Promotion District of the sales and use tax. The proceeds used by the department for advertising and promoting tourism in Louisiana.

EXPENDITURE BREAKDOWN

| Expenditure | FY 14-15 Prior Year Actual Expenditures | FY 15-16 Existing Operating Budget | FY 16-17 Executive Budget Recommendation | \$ Change from Existing | % Change from Existing |
|---------------------------|---|--|--|-------------------------------|------------------------------|
| Salaries | \$23,577,481 | \$23,407,715 | \$18,457,545 | (\$4,950,170) | (21.1%) |
| Other Compensation | \$1,805,579 | \$1,006,107 | \$666,493 | (\$339,614) | (33.8%) |
| Related Benefits | \$13,520,558 | \$13,319,810 | \$7,418,522 | (\$5,901,288) | (44.3%) |
| Travel | \$282,774 | \$305,067 | \$267,392 | (\$37,675) | (12.3%) |
| Operating Services | \$6,957,530 | \$13,705,301 | \$8,037,326 | (\$5,667,975) | (41.4%) |
| Supplies | \$1,637,243 | \$3,114,814 | \$1,514,013 | (\$1,600,801) | (51.4%) |
| Professional Services | \$7,477,408 | \$9,809,474 | \$7,744,084 | (\$2,065,390) | (21.1%) |
| Other Charges | \$26,616,398 | \$25,801,427 | \$17,505,552 | (\$8,295,875) | (32.2%) |
| Acq/Major Repairs | \$199,651 | \$1,995,150 | \$4,522,394 | \$2,527,244 | 126.7% |
| Unallotted | \$0 | \$0 | \$0 | \$0 | 0.0% |
| Total Expenditures | \$82,074,622 | \$92,464,865 | \$66,133,321 | (\$26,331,544) | (28.5%) |
| Authorized Positions | 616 | 616 | 616 | 0 | 0.0% |

EXPENDITURE HISTORY (IN MILLIONS)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15

AGENCY COMPARISONS

| AGENCIES | FY 15-16 EOB | FY 16-17 Recommended | DIFFERENCE |
|-------------------------|---------------------|-------------------------|-----------------------|
| Office of the Secretary | \$5,822,104 | \$3,482,372 | (\$2,339,732) |
| State Library | \$7,518,705 | \$5,355,731 | (\$2,162,974) |
| State Museum | \$6,185,496 | \$3,839,974 | (\$2,345,522) |
| State Parks | \$36,301,368 | \$24,231,130 | (\$12,070,238) |
| Cultural Development | \$7,209,717 | \$5,480,995 | (\$1,728,722) |
| Tourism | \$29,426,475 | \$23,743,119 | (\$5,683,356) |
| TOTAL | \$92,463,865 | \$66,133,321 | (\$26,330,544) |

SIGNIFICANT IMPACTS IF NO FUNDS ARE ADDED BACK

Office of the State Library

- Will eliminate services to the Blind and Physically Handicapped.
- Will eliminate educational online resources.
- Stop offering research services.
- Close the building to the general public. Access would be by appointment only
- Will eliminate technology support for the public libraries.
- Cancel the Louisiana Book Festival.
- Will eliminate the library's duplication department.

Provided by CRT Staff

Office of State Museum

Six Museum locations will be closed:

- Madame John's Legacy,
- 1850 House
- Collections Facility
- La Sports Hall of Fame
- ED White House
- Wedell Williams Museum

Two Museum locations will be closed except for those occasions that revenue generating events occur:

- Old US Mint
- Capitol Park Museum

The only Museum locations to remain open on a full time basis will be the Presbytere and the Cabildo. Any restored funds will be used to reopen any New Orleans facilities first as those are the revenue generating facilities.

SIGNIFICANT IMPACTS

Office of Cultural Development

- Poverty Point may lose UNESCO (United Nations Educational, Scientific and Cultural Organizations) status. The State Historic Preservation office operates and manages the required archaeology work and reports that are submitted to the U.S. National Commission required by UNESCO.
- Loss of \$743,600 in federal funding from the National Endowment for the Arts to the Division of the Arts as a result of the loss of state match.
- Eliminate the Main Street staff and program.
- Eliminate CODOFIL.

Office of Tourism

- Elimination of the competitive grants program for fairs and festivals around the state.
- Elimination of the cooperative marketing programs.
- Closure of the following Welcome Centers:
 - Hwy. 61 in St. Francisville
 - I-10 at Butte Rose Atchafalaya
 - Hwy. 425 in Vidalia
 - I-49 in Alexandria

Provided by CRT Staff

SIGNIFICANT IMPACTS

Office of State Parks

- A State General Fund budget reduction of \$14,094,327 represents a 60% cut to the Existing Operating Budget which may result in closures statewide of both State Parks and State Historic Sites.

Office of the Secretary

- Secretary Administration: 50% reduction in staff (4 out of 8, including the Secretary) plus associated expenditures will result in operating problems.
- Secretary Office of Management and Finance: 79% reduction in staff (31 out of 39) plus associated expenditures.

FY 17 DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET
\$66.1 Million

**\$5.4 Million IAT
Double Count**

**\$60.7
Million
Remaining**

**Self Generated
Revenue
\$25.6 Million**

**Statutory
Dedications
\$13.8 Million**

**Federal Funds
\$7.2 Million**

**State General Fund
\$14.1 Million**

**Non Discretionary
\$3.3 Million**

**Unavoidable Obligations
such as Retiree Group
Benefits and Auditor Fees
\$3.3 Million**

**Discretionary
\$10.8 Million**

**Administrative
\$1.1 Million**

**Library Services
\$400,000**

**Museum
\$1.3 Million**

**Parks and Recreation
\$7.6 Million**

**Cultural Development
\$400,000**

PERSONNEL INFORMATION

\$19.1 million Salaries and Other Compensation

\$7.4 million Related Benefits

Total Personnel Services = \$26.5 million

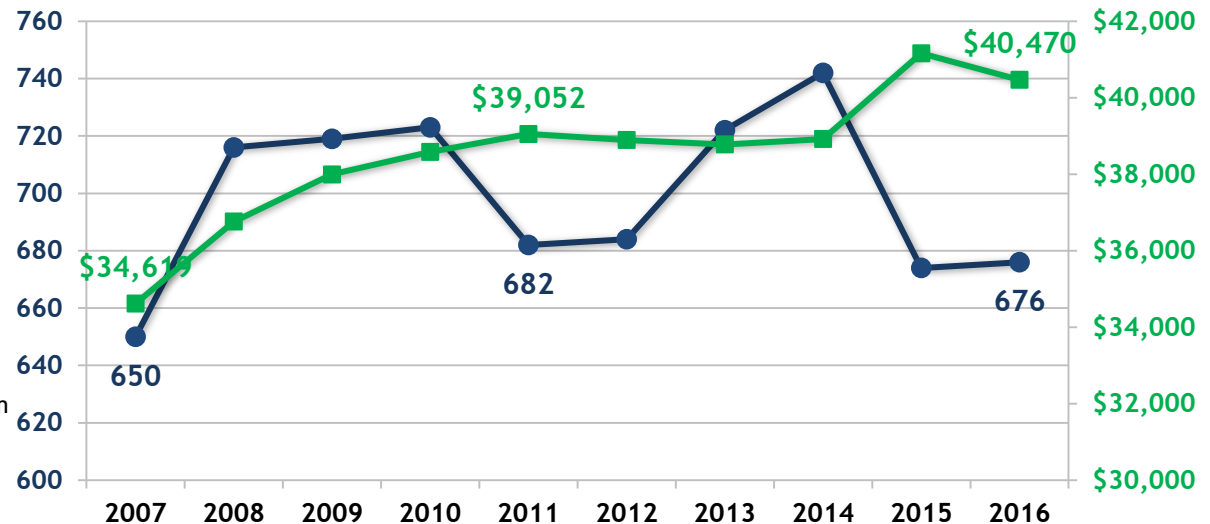
- 54.6% of the department total Executive Budget Recommendation (excluding Other Charges)

Authorized Positions

- 616 (603 classified and 13 unclassified)
- 105 full-time non-T.O. positions
- 29 Other Charges positions

*As of 1/29/2016, Culture, Recreation and Tourism had 79 vacancies; None of these vacant positions were eliminated in the mid-year deficit reduction and is reflected in the Executive Budget adjustments

10 Year FTE Positions/Avg Salary



Source: Prepared by House Fiscal Division staff using information from ISIS-HR

FY 15 HISTORIC SITE AND STATE PARK BREAK-EVEN

Historic Sites

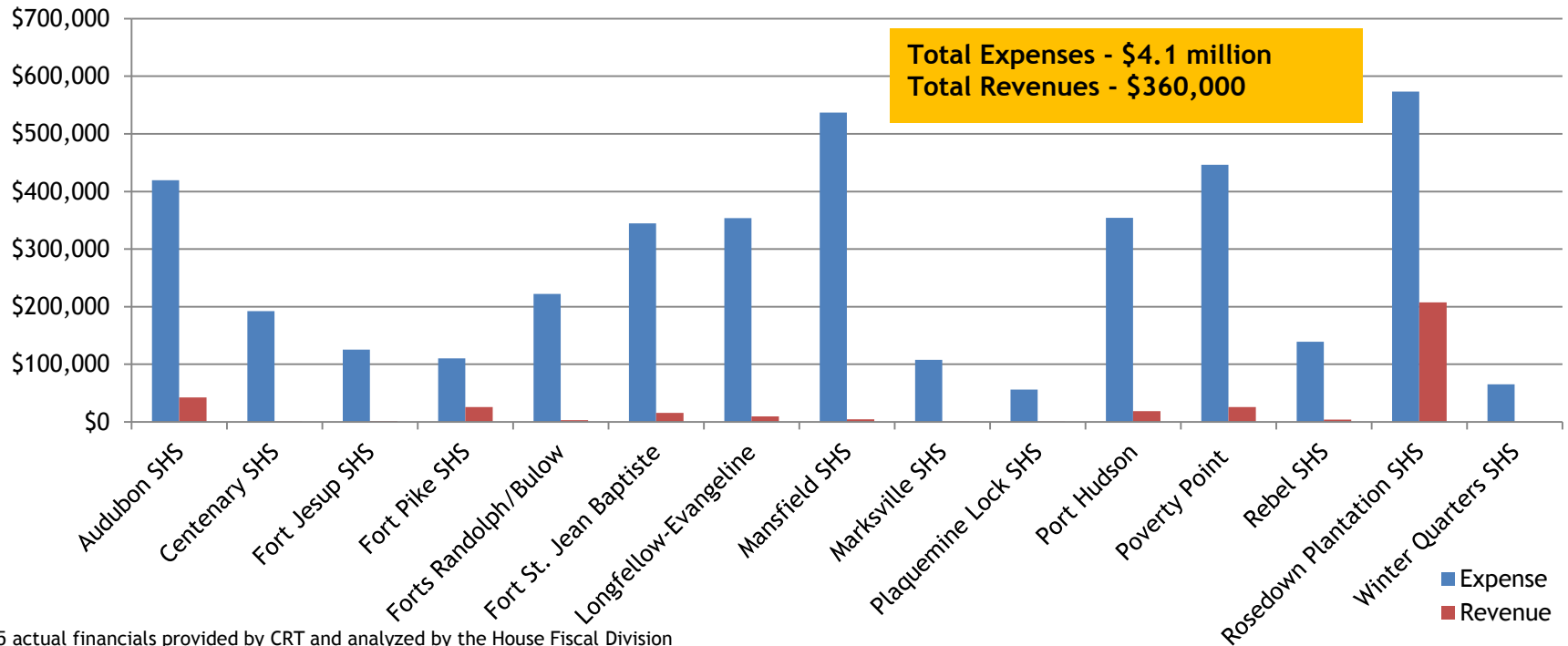
| | |
|---|---------------|
| Revenues: | \$360,403 |
| Expenditures: | \$4.1 million |
| Difference: | \$3.7 million |
| Visitors: | 139,747 |
| Revenue Per Visitor: | \$2.5 |
| Additional Revenue Per Visitor Required to Break Even: \$26.5 | |

Parks

| | |
|--|----------------|
| Revenues: | \$9.3 million |
| Expenditures: | \$15.7 million |
| Difference: | \$6.4 million |
| Visitors: | 1,731,910 |
| Revenue Per Visitor: | \$4 |
| Additional Revenue Per Visitor Required to Break Even: \$4 | |

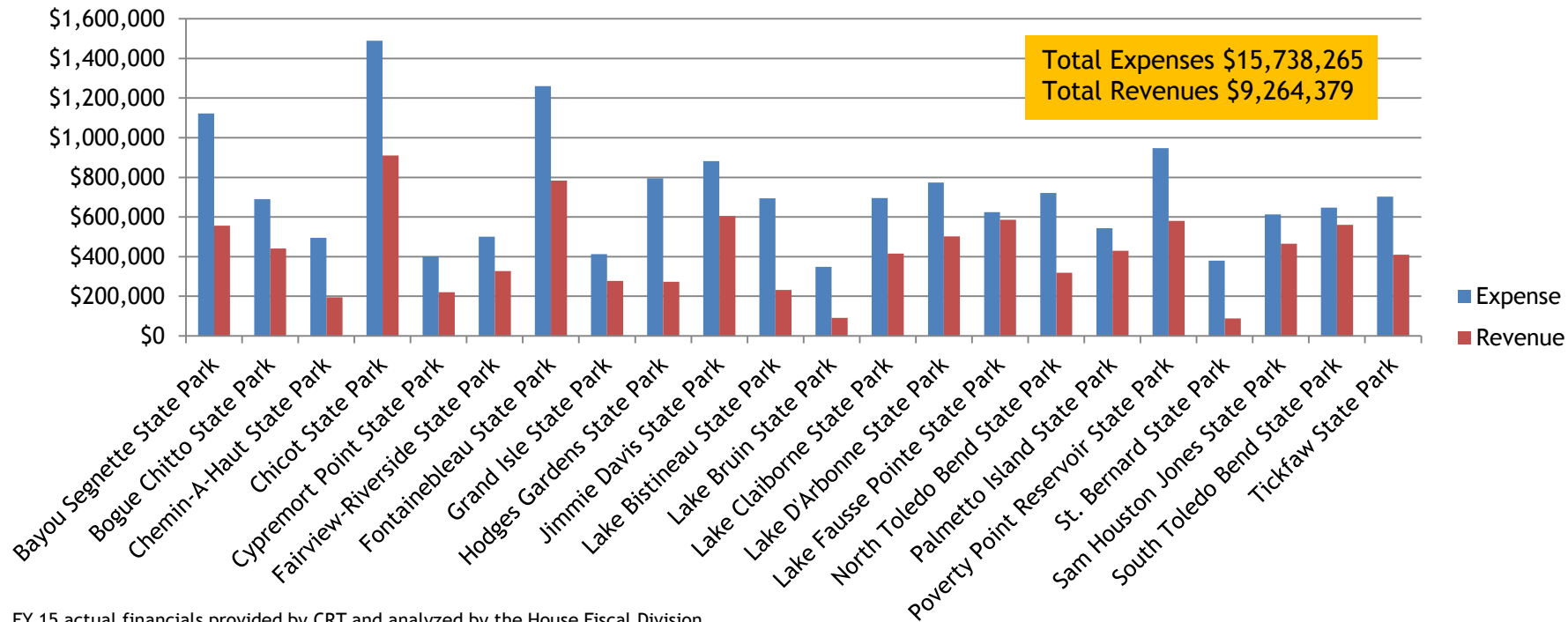
FY 15 actual financials provided by CRT and analyzed by the House Fiscal Division

FY 15 HISTORIC SITE REVENUE AND EXPENSES



FY 15 actual financials provided by CRT and analyzed by the House Fiscal Division

STATE PARK REVENUE AND EXPENSES



FY 15 actual financials provided by CRT and analyzed by the House Fiscal Division

DEPARTMENT CONTACTS

| | |
|---|--------------|
| Honorable William Nungesser Lt. Governor | 225.342.7009 |
| Natalie Stiltner Undersecretary | 225.342.8201 |