

*A PERFORMANCE EVALUATION
OF THE
DIVISION OF TOURISM*

PE 94-05-05

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EXECUTIVE SUMMARY

The Division of Tourism (the Division) was created by the Economic Development Act of 1990. The Division's primary responsibility is the promotion of West Virginia as a tourism destination, thereby increasing economic development and growth within the state. To fulfill this responsibility the Division has been organized into three Sections: Marketing/Sales, Advertising/Promotion, and Administration. Each Section has a director, who is to be trained and experienced in the area of work of their section. Section directors report directly to the Commissioner (See page 4).

RECOMMENDATION

- 1) *The Legislative Performance Evaluation and Research Division recommends that the functions of the Division of Tourism be continued.*

AREAS OF CONCERN

ISSUE AREA 1: THE DIVISION OF TOURISM HAS FAILED TO PRESENT AN ACCURATE ASSESSMENT OF THE COSTS AND BENEFITS OF TOURISM DEVELOPMENT TO THE STATE (see pages 5-7).

RECOMMENDATIONS

- 2) *Specific industrial classifications which define the tourism industry's economic impact should be established. The Division of Tourism should report only the benefit figures, which represent those businesses. The Legislative Performance Evaluation and Research Division will assist in establishing this definition, which should be comparable to other states to facilitate a national comparison of tourism growth and development.*
- 3) *The Legislature should require the Division of Tourism to present an economic impact cost-benefit study and analysis every five years, beginning January 1, 1996.*

ISSUE AREA 2: THERE HAS BEEN INSUFFICIENT OVERSIGHT OF THE FAHLGREN MARTIN CONTRACT BY THE DIVISION OF TOURISM (see pages 7-9).

RECOMMENDATIONS

- 4) *The Advertising Section Director should approve all media purchases in writing. The new advertising contract should contain a clause that the agency will show cost to target market ratio numbers for all media purchased.*
- 5) *The Advertising Section Director should be responsible for monitoring any advertising agency actions and be evaluated on this task. This should be added to the responsibilities outlined in the West Virginia Code § 5B-1-8.*
- 6) *A theme which accurately conveys a comprehensive image of West Virginia's attractions and facilities should be selected and adopted in Code to eliminate frequent changes, thereby enhancing name recognition.*

ISSUE AREA 3: THE DIVISION OF TOURISM IS NOT SUFFICIENTLY PERFORMING ITS RESPONSIBILITIES AS OUTLINED IN THE ENABLING LEGISLATION (see pages 10-11).

RECOMMENDATIONS

- 7) *All responsibilities currently in the Division of Tourism enabling legislation, relating to economic development should become the sole responsibility of the West Virginia Development Office.*
- 8) *The Division of Tourism should begin fulfilling its obligations related to assisting tourism and cottage industries. The Division should work more closely with the Division of Culture and History and the West Virginia Turnpike Authority to meet the objectives envisioned by the Legislature. The Division of Tourism should be required to develop a plan outlining specific tasks to assist artists and craftsmen in the state and submit a copy of this plan to the Joint Committee on Government Operations by December 1, 1995.*
- 9) *As a matter of Code clean-up, all references to "Regional Travel Councils" (which no longer exist) should be changed to "Convention Visitors Bureaus". All references to Parks in the General Powers Section (§5B-1-5, Subsections 6,7) should be*

deleted. §5B-1-9 referring to the production of motion pictures should be deleted, since the West Virginia Film Office was moved to the West Virginia Development Office in FY94.

ISSUE AREA 4: THE DIVISION OF TOURISM HAS NOT SUFFICIENTLY UTILIZED THE TELEMARKETING SECTION TO MONITOR ADVERTISING EFFECTIVENESS AND CONDUCT RESEARCH SURVEYS (see pages 12-13).

RECOMMENDATIONS

- 10) *The Division of Tourism should hold weekly senior staff meetings to facilitate the communication process among senior management.*
- 11) *The Telemarketing Section should not be moved to Building 17 at this time, because according to the West Virginia Code §5B-1-12, "all sections and functions of the Division of Tourism and Parks related to tourism shall be transferred to the West Virginia Development Office. The Telemarketing Section is such a section and is now located near the West Virginia Development Office. Therefore, Telemarketing's location is in accordance with current legislative intent.*
- 12) *Telemarketing's AT & T System 75 should be upgraded and training should be provided to staff on both computer operation and conducting out-bound surveys. This would allow the Division of Tourism to gather its own data and compute primary analysis, thereby increasing efficiency and effectiveness.*

ISSUE AREA 5: CANAAN VALLEY RESORT IS NOT CHARGED FOR THE 1-800-CALL-WVA TRANSFER SERVICE (see pages 14-15).

RECOMMENDATION

- 13) *The Legislative Performance Evaluation and Research Division recommends that the Legislature cease the subsidization of a private sector entity. The Division of Tourism should be required to charge Guest Services, Inc. (or any successor concessionaire) at Canaan Valley Resort and Conference Center for the 1-800-CALL-WVA transfer service. This fee should be the same rate paid by all other privately owned tourist facilities receiving the same service.*

ISSUE AREA 6: WEST VIRGINIA WELCOME CENTERS ARE DISPROPORTIONATELY STAFFED (see pages 16-18).

RECOMMENDATION

- 14) *The Division of Tourism should extend Welcome Center hours from 5:00 p.m. to 7:00 p.m. during peak tourist seasons and employ one part-time person for each interstate Welcome Center, except the one located on I-81 North. One full-time employee should be added at the Harpers Ferry Welcome Center. At a minimum the Division of Tourism should add a person to each interstate Welcome Center staff, except I-81 North, during peak tourist seasons.*

THE DIVISION OF TOURISM

History, General Purpose, Organizational Structure

The Division of Tourism, formerly the Department of Commerce, was renamed the Division of Commerce in 1989, and was transferred to the Department of Commerce, Labor, and Environmental Resources. The Acts of the Legislature, Chapter 71 (The Economic Development Act of 1990) changed the name from the Division of Commerce to the Division of Tourism and Parks. In the Acts of the Legislature, 1st Extraordinary Session 1994 , Chapter 35, the Division of Tourism and Parks was abolished. All functions of the Division relating to Parks' were transferred to the Division of Natural Resources. Conflicting language in the bill has caused disagreements as to the proper placement of the functions of the Division of Tourism. The primary purpose of the Division is the stimulation of economic development and growth through the promotion of West Virginia as a tourism destination.

To accomplish this goal the Division is organized into three sections:

- (1) Administration: Provides overall Administrative operational support for the Division including financial and personnel management;
- (2) Advertising/Promotion: Develops publications, brochures, media advertising, travel writers assistance, and advertising coordination with the private sector hospitality industry; and,
- (3) Tourism/Marketing: Designs marketing plans and strategies for the state, operates Telemarketing (1-800-CALL-WVA), and oversees operations of the tourist information Welcome Centers.

The Commissioner of the Division of Tourism is appointed by the Governor with the advice and consent of the Senate. The Directors of each Section serve at the will and pleasure of the Commissioner and are to be "qualified by reason of exceptional training and experience in the field of activities of his respective section." There are approximately 45 members of permanent staff.

RECOMMENDATION

- 1) *The Legislative Performance Evaluation and Research Division recommends that the functions of the Division of Tourism be continued.*

ISSUE AREA 1: THE DIVISION OF TOURISM HAS FAILED TO PRESENT AN ACCURATE ASSESSMENT OF THE COSTS AND BENEFITS OF TOURISM DEVELOPMENT TO THE STATE

Reports to the Legislature have indicated that the tourism industry contributes significantly to the economy and tax revenues in the state. According to "Four Years of Growth" A Report to the Legislature, which was compiled and published in 1993 by the Fahlgren Martin Agency the economic impact of tourism on the state's economy from 1989 through 1992 was as follows:

Studies show that tourism is now the State's fastest growing industry. Since 1989, tourism related employment has risen to 49,665, which translates to 3,102 new jobs for the people of West Virginia. This can be seen in the payroll increases totalling \$44 million since 1989, bringing the 1991 payroll to \$535 million. In spite of a downward tourism trend in neighboring states and all across the country, West Virginia tourism revenues have continued to rise since 1989. Over this period, tourism has contributed over \$7.2 billion to the State's economy, including \$330 million in state tax revenue.

However, as can be seen by the following table, there is disagreement between Fahlgren Martin and as the data shown by the U.S. Travel Data Center's *State Travel Fact Sheets*, as to the actual impact Tourism has had on the West Virginia economy. The large discrepancy which exists between the figures cited by these two sources is at least partially due to the lack of precise data and different methodology used for analysis. Some analysts define tourism as all travel away from home, while others limit the definition to personal or pleasure travel. Also, no single indicator tracks tourism employment exclusively, nor is there an income account that reports income generated by this sector. Since analysts instead depend on indicators that are indirectly related to tourism, they can only **estimate** economic benefits. The West Virginia Travel Research Group, which generated the figures for the Fahlgren Martin report, states that the numbers provided by the U.S. Travel Data Center are not adequately inclusive of tourism economic impact indicators.

A representative from the Bureau of Employment Programs states that since tourism is not listed in the Standard Industrial Classification Manual precise employment figures are not available. However, figures can be obtained from categories which are listed in the manual and combined to estimate employment in the tourism industry. The problem is that depending on how "tourism" is defined, that number could encompass many businesses in the state that are not truly related to tourism, such as car dealerships. This could lead to an inaccurate representation of the benefits provided by development in the tourism industry.

TABLE 1			
ESTIMATES OF THE ECONOMIC IMPACT OF TOURISM ON THE WEST VIRGINIA ECONOMY			
Impact & Year	Fahlgren Martin Estimate	U.S. Travel Data Center State Travel Fact Sheets	Difference
Tourism Employment			
1989	46,563	19,600	26,963
1990	48,610	21,700	26,910
1991	49,665	22,500	27,165
Annual Payroll			
1989	\$491,000,000	\$189,000,000	\$302,000,000
1990	520,000,000	221,000,000	299,000,000
1991	535,000,000	241,000,000	294,000,000
Tourist Expenditures			
1989	\$2,236,000,000	\$1,200,000,000	\$1,036,000,000
1990	2,469,000,000	1,200,000,000	1,269,000,000
1991	2,545,000,000	1,300,000,000	1,245,000,000
State Tax Revenue (\$ millions)			
1989	\$102,000,000	\$63,000,000	\$39,000,000
1990	112,000,000	72,000,000	40,000,000
1991	116,000,000	76,000,000	40,000,000

In addition, while the Division of Tourism has studies estimating the benefits of tourism and economic growth in recent years, the costs of tourism on the state have not been sufficiently studied. In fact, it appears that no comprehensive study has even been completed. The Division of Tourism is not mandated to conduct a cost-benefit analysis; however, failure to recognize and plan for the costs of tourism not only overstates the benefits, but can result in unexpected economic dilemmas and decrease the quality of life in a community. A cost-benefit study conducted by the Tennessee Division of State Audit cited the following costs of tourism:

- low income and seasonality of travel-related employment
- increased demand for water, roads, utilities, and hospital emergency facilities
- higher cost of living in tourist areas
- more households receiving Aid to Families with Dependent children (AFDC) and food stamps in the off-season
- deterioration of the environment (if insufficient planning)
- expenditures by the state tourism agency

Furthermore, the Tennessee study found that "unless the low pay and seasonality of travel-related jobs can be changed, tourism cannot be viewed as the long-term solution to high unemployment."

While all of these costs have been cited by other states as concerns warranting study by the appropriate state travel office, West Virginia does not have a mechanism in place for studying and making recommendations for dealing with these problems.

RECOMMENDATIONS

- 2) *Specific industrial classifications which define the tourism industry's economic impact should be established. The Division of Tourism should report only the benefit figures, which represent those businesses. The Legislative Performance Evaluation and Research Division will assist in establishing this definition, which should be comparable to other states to facilitate a national comparison of tourism growth and development.*

- 3) **The Legislature should require the Division of Tourism to present an economic impact cost-benefit study and analysis every five years beginning January 1, 1996.**

ISSUE AREA 2: THERE HAS BEEN INSUFFICIENT OVERSIGHT OF THE FAHLGREN MARTIN CONTRACT BY THE DIVISION OF TOURISM

The Division of Tourism's (the Division) advertising campaigns have been contracted with the Fahlgren Martin, Inc. advertising agency since July 1, 1989. According to the contracts, the agency has been responsible for assisting in most of the Advertising Section's activities including the following:

- Developing, producing and placing advertising materials in the media;
- Providing public relations support, promotions, and other informational activities;
- Furnishing advertising advice, counsel, and recommendations with respect to media selection, advertising copy, and ideas for promotional materials.

For these services, the expense of the advertisements, and contracted research components, the Division of Tourism has paid Fahlgren Martin the following:

Fiscal Year	Expenditures
1990	\$1,551,828
1991	2,602,390
1992	2,589,742
1993	2,380,874
1994	2,281,513
TOTAL	\$11,406,347

Although all Fahlgren Martin actions have been subject to the written approval of the Commissioner of Tourism, until recently the Commissioners have deferred advertising decisions to Fahlgren Martin. It appears that all of the advertisements invoiced by Fahlgren Martin were placed in the radio, television, and print media. However, as research for the 1994-1995 strategic marketing plan began, Fahlgren Martin was asked by the Division and the West Virginia Travel Research Group to justify their media decisions in relation to expense and percentage of target market reached (cost/benefit analysis and advertising effectiveness research). Fahlgren Martin had only used the number of incoming calls on the 1-800-CALL-WVA phone line as a measure of

advertising effectiveness and more elaborate research study had never been requested by the Division; therefore, the data requested did not exist.

In addition, the Division had not been monitoring the cost of television advertisements. Fahlgren Martin made media purchases for advertisements through national representatives, which buy air time on all of the stations in a market area. This is a more expensive method of media purchases. Alternatively, choosing individual stations in the area, evaluating the time slots available for reaching the target audience, and comparing the different rate schedules would allow the Advertising Director to make a more informed, cost conscious decision on media purchases.

Also, the advertising image of the state employed by Fahlgren Martin has not been consistent. While other states such as Florida, New York, and Virginia have had success developing name recognition by employing the same theme for years, West Virginia has changed its theme frequently ("Wild, Wonderful West Virginia", "Come Home to West Virginia", "West Virginia: Mountains of Opportunity", and "West Virginia: A Welcome Change"). Fahlgren Martin representatives contend that themes are not important, but according to West Virginia Travel Research Group (WVTRG) experts, a part of West Virginia University, the Division needs to pick an image that they wish to create and market, then be consistent with that image.

Finally, Fahlgren Martin has placed considerable emphasis on the active outdoor recreation market (skiing, whitewater rafting, etc.) image to the exclusion of other markets, such as culture and history, arts and crafts shopping, and golf. While this approach has proven successful at bringing tourist dollars into the state, according to WVTRG experts, it is important to show the unique and diverse aspects of the state in order to make the state marketable.

The Division has already responded to many of these problems. The new advertising director, experienced in media decisions, is monitoring Fahlgren Martin more closely and playing a major role in the decision making process. National representatives are no longer being used and costs per time period are supplied to the Division of Tourism Advertising Director before the advertisements are aired. Also, the print advertisements are now being created in-house at a cost savings. Fahlgren Martin still receives the 15% (above the net cost of all media advertisements) for placing the ads and creates a limited amount of designs for the Division, but the role is now limited.

The Division is now also emphasizing the need for an overall theme and is taking an active role in tying together all aspects of the state's image, which includes promoting all activities deemed attractive to the defined target markets.

RECOMMENDATIONS

- 4) ***The Advertising Section Director should approve all media purchases in writing. The new advertising contract should contain a clause that the agency will show cost to target market ratio numbers for all media purchased.***

- 5) *The Advertising Section Director should be responsible for monitoring any advertising agency actions and be evaluated on this task. This should be added to the responsibilities outlined in the West Virginia Code § 5B-1-8.*

- 6) *A theme which accurately conveys a comprehensive image of West Virginia's attractions and facilities should be selected and adopted in Code to eliminate frequent changes, thereby enhancing name recognition.*

ISSUE AREA 3: THE DIVISION OF TOURISM IS NOT SUFFICIENTLY PERFORMING ITS RESPONSIBILITIES AS OUTLINED IN THE ENABLING LEGISLATION

The Division of Tourism has not been performing many of the responsibilities mandated by the West Virginia Code pertaining to economic development, arts and crafts, and the information signing system. Reasons for this noncompliance include the lack of sufficient appropriations to perform the duties and the understanding that the duties are being performed by other state agencies.

The Division of Tourism Has Not Sufficiently Fulfilled Its Responsibilities on Economic Development Issues

According to §5B-1-5 Subsection (2), and §5B-1-7 Subsection (b), the Division of Tourism is responsible for compiling a census of all business and industry and a listing of all tourist facilities in the state. While the Telemarketing section maintains information on most of the state's tourist facilities, the list does not include everything that is outlined in the Code and the Division of Tourism has never compiled a complete census. This function is being accomplished by the West Virginia Development Office through the State Data Center, which works with the Census Bureau to acquire any census data.

§5B-1-7 Subsection (c) states that the Division of Tourism is responsible for developing a plan, which includes financing for tourist facility expansion and new development. This has **not** been accomplished. Supposedly, the Division of Tourism Master Plan addresses the problem; however, the plan still has not been approved by the Governor. Although several requests were made by the Legislative Performance Evaluation and Research Division to obtain a copy of the plan, no copy was provided.

The Division of Tourism is also required to provide assistance to any privately owned business or industry in this state, which has developed or is attempting to develop its own advertising program (WVC §5B-1-9). The Division of Tourism does nothing to accomplish this requirement.

Basically, the West Virginia Development Office does perform the functions, which are not being accomplished by the Division of Tourism, in the area of economic development.

The Division of Tourism Has Provided Only Limited Assistance to Cottage Industries

The Sales and Marketing Section is required to cooperate with artists and craftsmen to enhance and promote West Virginia arts, crafts, and products and to assist with the development of marketing programs. In addition, the Division of Tourism is to design and implement a program of direct sales and provide for the publication and distribution of a catalog which adequately displays West Virginia arts, crafts, and products. The only direct sales of crafts established by the Division of Tourism are through the gift shops in the state parks. The Division of Tourism has assisted on several projects in cooperation with other state agencies, including the

Craft Map with the Division of Culture and History and Tamarack with the West Virginia Parkway Authority. However, the Division of Tourism has never taken a lead role as envisioned by the Legislature, when §5B-1-10 subsections (d) and (e) were enacted.

The Division of Tourism Has Not Developed a System of Informational Highway Signing

§5B-1-7 Subsection (j) mandates the Division of Tourism to cooperate with the Division of Highways in developing a system of informational highway signing relating to the recreational, scenic, historic, and transportational facilities and attractions of the state. This is accomplished only on a case by case basis. There is no system in place to meet this objective.

RECOMMENDATIONS

- 7) *All responsibilities currently in the Division of Tourism enabling legislation, relating to economic development should become the sole responsibility of the West Virginia Development Office.*
- 8) *The Division of Tourism should begin fulfilling its obligations related to assisting tourism and cottage industries. The Division should work more closely with the Division of Culture and History and the West Virginia Turnpike Authority to meet the objectives envisioned by the Legislature. The Division of Tourism should be required to develop a plan outlining specific tasks to assist artists and craftsmen in the state and submit a copy of this plan to the Joint Committee on Government Operations by December 1, 1995.*
- 9) *As a matter of Code clean-up, all references to "Regional Travel Councils" (which no longer exist) should be changed to "Convention Visitors Bureaus". All references to Parks in the General Powers Section (§5B-1-5, Subsections 6,7) should be deleted. §5B-1-9 referring to the production of motion pictures should be deleted, since the West Virginia Film Office was moved to the West Virginia Development Office in FY94.*

ISSUE AREA 4: THE DIVISION OF TOURISM HAS NOT SUFFICIENTLY UTILIZED THE TELEMARKETING SECTION TO MONITOR ADVERTISING EFFECTIVENESS AND CONDUCT RESEARCH SURVEYS

The Division of Tourism has failed to adequately employ the Telemarketing Section as a resource to monitor the effectiveness of advertising campaigns. A serious lack of communication currently exists between the Marketing, Advertising, and Telemarketing Sections. Telemarketing has not been informed of major media campaigns in advance to facilitate an efficiently monitored report of the impact on selected target markets for West Virginia tourism. Moreover, Telemarketing is usually not consulted to verify results of advertising campaigns, which should be an important factor used in future advertising decisions.

The Telemarketing section has been isolated from the rest of the Division both by location and by the lack of senior staff meetings. The Telemarketing Section is currently located on the Fifth Floor of Building 6 next to the West Virginia Development Office, while the other sections of the Division of Tourism, including the Commissioner, Advertising Director and Marketing Director are in Building 17, approximately two blocks away. In and by itself this would only be a minor problem; however, combined with the fact that senior staff meetings have not occurred in over 10 months, the situation has resulted in a serious lack of communication among Division of Tourism leaders. The Commissioner is currently planning to move Telemarketing to the second floor of Building 17. However, early estimates of the cost involved in moving Telemarketing is over \$70,000.

Also, the Division of Tourism contracts private companies to conduct research on baseline studies, visitor profiles, and the economic impact of tourism on the state. While certain studies, such as expenditure data and economic impact need to remain with specialists in the private sector and at West Virginia University, approximately 50% of all research could be performed by the Telemarketing Section. Data on visitors' satisfaction, visitor profiles, and current needs in the tourist industry could be gathered by operators using out-bound survey techniques. Operators would need to be trained in data gathering techniques; but this simple procedure could lead to an estimated savings of over \$60,000 annually for the Division, eliminate unnecessary delays in data gathering, and assist the Section leaders in meeting the objectives of the Division.

RECOMMENDATIONS

- 10) The Division of Tourism should hold weekly senior staff meetings to facilitate the communication process among senior management.***
- 11) The Telemarketing Section should not be moved to Building 17 at this time, because according to the West Virginia Code §5B-1-12, "all sections and functions of the Division of Tourism and Parks related to tourism shall be transferred to the West Virginia Development Office's. The Telemarketing Section is such a section and is now located near the***

West Virginia Development Office. Therefore, Telemarketing's location is in accordance with current legislative intent.

- 12) *Telemarketing's AT & T System 75 should be upgraded and training should be provided to staff on both computer operation and conducting out-bound surveys. This would allow the Division of Tourism to gather its own data and compute primary analysis, thereby increasing efficiency and effectiveness.*

ISSUE AREA 5: CANAAN VALLEY RESORT IS NOT CHARGED FOR THE 1-800-CALL-WVA TRANSFER SERVICE

The Telemarketing Section of The Division of Tourism established the 1-800-CALL-WVA service in 1985 to provide nationwide access to information about West Virginia and its recreational facilities with the objective of increasing state tourism. In addition to answering inquiries, Telemarketing has developed a system of transferring telephone calls for reservations to all of the state parks and approximately 80 privately owned tourist facilities. Although state parks receive this service free, privately owned tourist facilities are charged a fee of \$.50 per minute for each call transferred to them by Division of Tourism.

Canaan Valley Resort and Conference Center (the Resort) is a West Virginia state park; however, its operations have been contracted out to private concessionaires since September 1971. The various concessionaires have never been charged for this service, since the Division of Tourism classifies the Resort as a state park. At this time, the Resort is the only private sector operation to receive this service free of charge. Moreover, Guest Services, Inc., the current concessionaire has its own 800 phone line (1-800-622-4121) in addition to free access to 1-800-CALL-WVA.

According to the Telemarketing Director, the Resort has received more than 230,000 calls since January 1, 1990, with the average call being 2.5 minutes in duration. Therefore, the estimated subsidy rendered to the Resort by the State of West Virginia in the last four and a half years total more than \$290,000. This practice will continue to cost the state an additional \$85,000 annually. The following is a summary presentation of the estimated calculations:

TABLE 3	
DATA ON THE COST OF CANAAN VALLEY 800 SERVICE	
NUMBER OF CALLS 1990 - PRESENT	237,011
AVERAGE MINUTES PER CALL	2.5
TOTAL MINUTES	592,527
COST PER MINUTE	.50
COST OF CALLS GIVEN TO CANAAN CONCESSIONAIRES	\$296,263.50

RECOMMENDATION

- 13) *The Legislative Performance Evaluation and Research Division recommends that the Legislature cease the subsidization of a private sector entity. The Division of Tourism should be required to charge Guest Services, Inc. (or any successor concessionaire) at Canaan Valley Resort and Conference Center for the 1-800-CALL-WVA transfer service. This fee should be the same rate paid by all other privately owned tourist facilities receiving the same service.*

ISSUE AREA 6: WEST VIRGINIA WELCOME CENTERS ARE DISPROPORTIONATELY STAFFED

The Division of Tourism is responsible for operating the eight Department of Highways' Welcome Centers located on interstates 64-East, 64-West, 70, 77, 79, 81-North, 81-South, and in Harpers Ferry. In 1993, over 2.5 million visitors were assisted by Welcome Center staff. In addition, over \$200,000 in tourist revenues were generated in the state due to Center staff's assistance. It is the opinion of the Performance Evaluation and Research Division, that the economic impact of the Centers would increase if the Centers were effectively staffed, although the total economic impact is uncertain because there are no records on the amount of visitors that need or would use the Centers outside the present hours of operation.

There are not enough employees at most of the Welcome Centers. The Centers are open from 9:00 a.m. to 5:00 p.m. everyday, except Thanksgiving, Christmas, and New Years Day, with occasional extended hours during the summer months. Because of the hours of operation and the level of staffing, employees usually work alone. If an employee becomes ill or must leave work for any reason, the Welcome Center must shut down until the other employee can be reached. This results in a lack of service to the public and the possible loss of tourist revenue dollars from hotel/motel reservations. A summary of Welcome Center activities are as follows:

TABLE 4						
WELCOME CENTER ACTIVITIES 1992 - 1993						
WELCOME CENTER	TOTAL VISITORS ASSISTED		STAFF ASSISTED HOTEL/MOTEL RESERVATIONS		APPROXIMATE TOURISM REVENUE GENERATED (BASED ON AN AVERAGE \$49 PER NIGHT)	
	1993	1992	1993	1992	1993	1992
HARP. FERRY	90,999	77,370	265	138	\$12,985	\$8,330
I-81 S	335,855	278,515	517	503	\$25,333	\$25,578
I-81 N	257,873	273,865	412	282	\$20,188	\$51,842
I-64 E	236,024	258,681	94	209	\$4,606	\$25,431
I-64 W	388,596	251,487	1,026	570	\$50,274	\$14,259
I-70	263,319	251,766	521	530	\$25,529	\$11,221
I-77	415,109	421,454	916	984	\$44,884	\$28,959
I-79	524,093	466,154	387	480	\$18,963	\$28,273
TOTAL	2,511,868	2,279,292	4,138	3,696	\$202,762	\$193,893

One of the least used Welcome Centers has the most staff. Until 1982, each West Virginia Welcome Center employed three full-time civil service employees. From 1982 through 1987, in an effort to downsize government, employees who left the positions were not replaced. Then in 1987, these vacant civil service positions were eliminated. This has created a disproportionate level of staffing in relation to visitor volume. Because none of the employees have left or retired, the I-81 North Welcome Center has three full-time employees. These employees assisted 257,873 visitors in 1993, while the I-77 and I-79 Welcome Centers, with only two employees each, assisted 415,109 and 524,093 respectively. The Harpers Ferry Welcome Center operates with only two part-time employees. The national average of full-time employees per state Welcome Center is currently 3.5. The average of full-time employees per Welcome Center in West Virginia is 1.9.

RECOMMENDATION

- 14) ***The Division of Tourism should extend Welcome Center hours from 5:00 p.m. to 7:00 p.m. during peak tourist seasons and employ one part-time person for each interstate Welcome Center, except the one located on I-81 North. One full-time employee should be added at the Harpers Ferry Welcome Center. At a minimum, the Division of Tourism should add a person to each interstate Welcome Center staff, except I-81 North, during peak tourist seasons.***

**PURPOSE AND AUTHORITY
FOR THE PERFORMANCE EVALUATION**

This performance evaluation of the Division of Tourism was conducted in accordance with the West Virginia Sunset Law, Chapter 4, Article 10, Section 10 of the West Virginia Code, as amended. This performance audit is intended to assist the Joint Committee on Government Operations in making one of four recommendations according to Chapter 4, Article 10, Section 12 of the West Virginia Code, as amended. These recommendations include:

1. The department, agency, or board be terminated as scheduled;
2. The department, agency, or board be continued and reestablished;
3. The department, agency or board be continued and reestablished, but the statutes governing it be amended in specific ways to correct ineffective or discriminatory practices and procedures, burdensome rules and regulations, lack of protection of the public interest, overlapping of jurisdiction with other governmental entities, unwarranted exercise of authority either in law or any other deficiencies;
4. A performance audit be performed on a department, agency or board on which a preliminary review has been completed; or
5. The department, agency, or board be continued for a period of time not to exceed one year for the purpose of completing a performance audit.

SCOPE AND METHODOLOGY FOR THE PERFORMANCE EVALUATION

A performance audit (performance evaluation) is defined in Chapter 4, Article 10, Section 3 of the West Virginia Code, as amended, as follows:

"To determine for a department, agency, or board whether the department, agency or board is acquiring, protecting, and using its resources economically and efficiently; the causes of inefficiencies or fiscally unsound practices; and whether the department, agency, or board has complied with laws and regulations concerning matters of economy and efficiency. Also, a performance audit may include determining the extent to which the desired results or benefits established by the legislature are being achieved by the department, agency, or board; the effectiveness of organizations, programs, activities, or functions; and whether the department, agency or board has complied with laws and regulations applicable to the program."

The criteria for a performance evaluation are set forth in Chapter 4, Article 10, Section 11 of the West Virginia Code, as amended, as follows:

- (1) If the board or agency was created to solve a problem or provide a service.
- (2) If the problem has been solved or the service has been provided.
- (3) The extent to which past board or agency activities and accomplishments, current projects and operations, and planned activities and goals for the future are or have been effective.
- (4) The extent to which there would be significant and discernible adverse effects on the public health, safety, or welfare if the board or agency were abolished.
- (5) Whether or not the board or agency operates in a sound fiscal manner.
- (6) If the conditions which led to the creation of the agency have changed.
- (7) The extent to which the department or agency operates in the public interest.
- (8) Whether or not the operation of the department or agency is impeded or enhanced by existing statutes, rules, procedures, practices or any other circumstances bearing upon the department or agency's capacity or authority to operate in the public interest, including budgetary, resource, and personnel matters.
- (9) The extent to which administrative and/or statutory changes are necessary

to improve agency operations or to enhance the public interest.

- (10) Whether or not the benefits derived from the activities of the department or agency outweigh the costs.
- (11) If the activities of this department or agency duplicate or overlap with those of other departments or agencies, and if so, how these activities could be consolidated.
- (12) Whether or not the department or agency causes an unnecessary burden on any citizen or other department or agency by its decisions and activities.
- (13) What the impact will be in terms of federal intervention or loss of federal funds if the agency is abolished.

The committee may direct that the performance evaluation focus on a specific area of operation within the department or agency, and may direct further inquiry, when necessary and desirable, into other areas of concern, including, but not limited to:

- (1) The economic impact which results from the functions of the department or agency.
- (2) The extent to which complaints, investigation, and/or disciplinary procedures of the department or agency adequately protect the public, and whether or not final dispositions of complaints serve the public interest.
- (3) The extent to which the department or agency issues and enforces rules relating to the potential conflicts of interest of its employees.
- (4) Whether or not the department or agency is in compliance with federal and state affirmative action requirements.
- (5) Whether or not the department or agency encourages participation by the public in the decision making process.

The performance evaluation of the Division of Tourism covers the period July 1, 1990 through November 30, 1994. This performance evaluation follows Generally Accepted Government Auditing Standards (GAGAS, 1988 Revision), which apply to government organizations, programs, activities, and functions. Information compiled in this report has been acquired from the West Virginia Code, agency reports and records, correspondence, agency contracted and in-house surveys, fiscal records, personal interviews, and on-site observations. Additional information was furnished by Fahlgren Martin, Marketvision, Inc., United States Travel Data Center, the National Conference of State Legislatures, and West

Virginia Travel Research Group. This performance evaluation does not include a financial audit.