

Agency Purpose

The mission of Explore Minnesota Tourism (EMT) is to promote and facilitate increased travel to and within the state of Minnesota by increasing nonresident travel, stimulating travel instate by Minnesota residents and sustaining and growing travel related sales.

EMT markets Minnesota in North America and internationally as a travel destination to consumers, tour operators, group tours and travel agents, promotes coverage of Minnesota by domestic and international travel media, and initiates, develops, and coordinates activity with travel industry buyers and sellers. EMT leverages its resources by generating over \$4 million in cash and in-kind partnerships. The match includes corporate marketing partnerships, publishing partnerships, advertising revenue, marketing program fees and partnership grant matches.

Effective July 2004, EMT was repositioned from a division within the Department of Employment and Economic Development to a separate state agency. This change was the result of legislation passed at the urging of the Minnesota tourism industry. The Explore Minnesota Tourism Council was created. Members are appointed by the governor and represent various sectors of the tourism industry. Statutory authority for EMT resides at M.S. 116U.05.

At A Glance

- ◆ Leisure and hospitality in Minnesota generates over \$10 billion in gross sales annually.
- ◆ State sales tax revenue from tourism contributes \$600 million annually to the General Fund.
- ◆ The leisure and hospitality industry provides over 235,000 jobs throughout the state of Minnesota. It is expected to grow by 19.1% from 2002 through 2012.
- ◆ Every dollar invested in tourism marketing provides a return of investment of \$4.60 in new state and local taxes, \$20.40 in wages, and \$53.00 in gross sales.
- ◆ Each year Minnesota hosts more than 28 million visitors traveling to each region of the four regions of the state, northeast, north central/west, metro and southern

Core Functions

To fulfill its mission and achieve its strategic objectives, EMT is organized into four areas: Communications, Industry Relations, Marketing and Research, and Operations and Consumer Services.

Communications: Media relations and publications are both key to Explore Minnesota Tourism marketing. Media relations programs generate positive media coverage of Minnesota travel opportunities and of the state's tourism industry. A large photo library provides the media with visual images of the state. A series of publications, many developed through publishing partnerships, promote Minnesota destinations and activities. This unit is also responsible for the comprehensive www.exploreminnesota.com web site and offers consumers a series of e-mail newsletters.

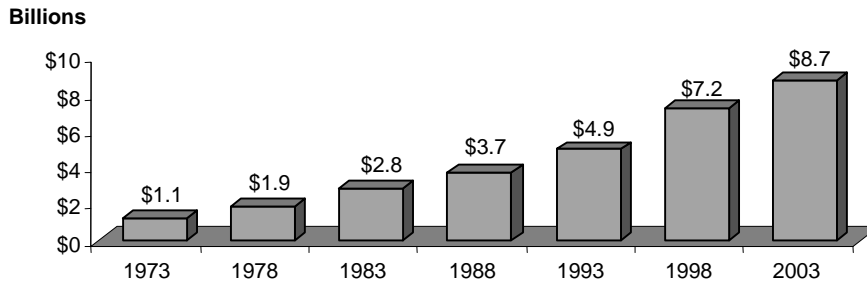
Marketing and Research: This area includes advertising and promotions directed to potential travelers, using print media, television and radio, direct mail and electronic marketing and special promotions. Marketing partnerships extend the reach of Explore Minnesota advertising. The primary markets in the U.S. are in the north central region. International markets include Canada, Japan, United Kingdom, Germany, and Scandinavia. This unit also markets Minnesota to group tour operators and has a packaged travel program. Research conducted in-house or provided by other sources, guides the development of marketing programs.

Industry Relations: This program area is responsible for facilitating two-way communication between EMT and the state's tourism industry. Regional staff located in Brainerd, Duluth, Mankato, and Thief River Falls as well as St. Paul provide community based marketing assistance. This unit facilitates interagency partnerships, develops educational programs and monitors public policy issues that may affect tourism in Minnesota. Grants are awarded to non-profit tourism organizations which maximize both state and local resources. All grants and marketing partnerships must meet established criteria and include matching fund requirements and performance measures.

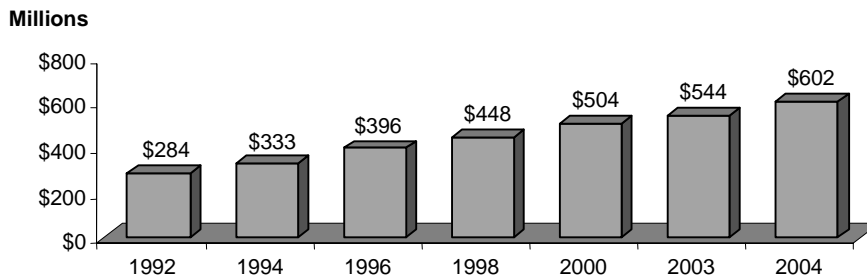
Operations and Consumer Services: This unit is responsible for management of administrative systems and financial and personnel functions office wide. Also provides travel information to travelers and prospective travelers. It handles customer inquiries via the phone, fax and internet in response to consumer advertising programs. Travel information is delivered person-to-person to visitors at highway travel information centers located throughout the state; four of these are operated by local tourism organizations in partnership with EMT. An extensive database maintained by this unit includes detailed information on approximately 2,400 accommodations, 2,100 attractions, and 2,500 events. The database is available to consumers through www.exploreminnesota.com and through Journey, the customized travel planning service.

Key Measures

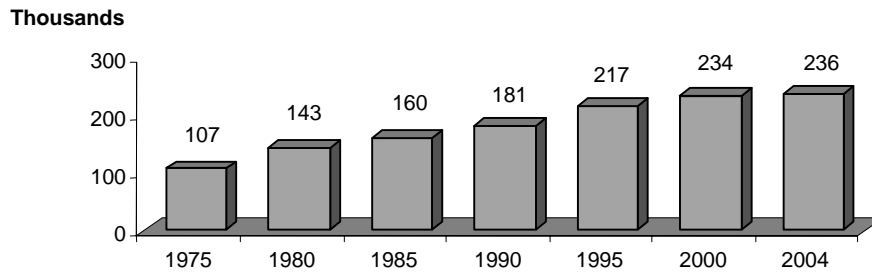
Minnesota's Leisure and Hospitality Industry Gross Sales



Minnesota's Leisure and Hospitality Industry State Sales Tax



Minnesota's Leisure and Hospitality Industry Employment - Jobs



Budget

Explore Minnesota Tourism has a General Fund budget of \$9.7 million in FY07. Annual special revenue funds total approximately \$1.0 million. Explore Minnesota Tourism staff consist of approximately 54 full time equivalents.

Contact

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Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	8,701	11,401	11,401	11,401	22,802
Forecast Base	8,701	11,401	9,701	9,701	19,402
Change		0	(1,700)	(1,700)	(3,400)
% Biennial Change from 2006-07					-3.5%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	8,949	12,204	9,701	9,701	19,402
Statutory Appropriations					
Misc Special Revenue	1,260	1,733	1,078	1,078	2,156
Federal	278	255	255	255	510
Total	10,487	14,192	11,034	11,034	22,068
<u>Expenditures by Category</u>					
Total Compensation	3,079	3,376	3,453	3,533	6,986
Other Operating Expenses	6,271	8,039	6,499	6,419	12,918
Local Assistance	1,137	2,777	1,082	1,082	2,164
Total	10,487	14,192	11,034	11,034	22,068
<u>Expenditures by Program</u>					
Explore Minnesota Tourism	10,487	14,192	11,034	11,034	22,068
Total	10,487	14,192	11,034	11,034	22,068
Full-Time Equivalent (FTE)	49.4	48.5	48.5	48.5	

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<i>Non Dedicated Revenue:</i>					
Total Non-Dedicated Receipts	0	0	0	0	0
<i>Dedicated Receipts:</i>					
Departmental Earnings:					
Misc Special Revenue	1,118	930	1,034	1,034	2,068
Grants:					
Federal	278	255	255	255	510
Other Revenues:					
Misc Special Revenue	44	27	27	27	54
Other Sources:					
Misc Special Revenue	0	0	17	17	34
Total Dedicated Receipts	1,440	1,212	1,333	1,333	2,666
Agency Total Revenue	1,440	1,212	1,333	1,333	2,666