

Table of Contents
Explore Minnesota Tourism

<i>Agency Profile</i>	1
Agency Expenditure Overview (REVISED)	5
Agency Financing by Fund (REVISED)	6
Agency Change Summary (REVISED)	7

AT A GLANCE

Explore Minnesota is the state’s official tourism promotion agency. Through advertising, marketing, education and other programs, we support the thousands of businesses and organizations that make up Minnesota’s tourism industry. The tourism industry in Minnesota generates:

- **Sales:** \$15.0 billion in gross sales in 2016.
- **Jobs:** More than 265,000 full- and part-time jobs in 2016, or 11% of total private sector employment.¹
- **Wages:** \$5.4 billion in wages.¹
- **Revenue:** \$969 million in state sales tax revenue in 2016, or 18% of state sales tax revenues.
- **Return on Investment:** Every \$1 in state tourism advertising results in \$9 in state and local taxes and \$92 in spending by travelers.²

1: Source: Bureau of Labor Statistics, U.S. Department of Labor, 2016

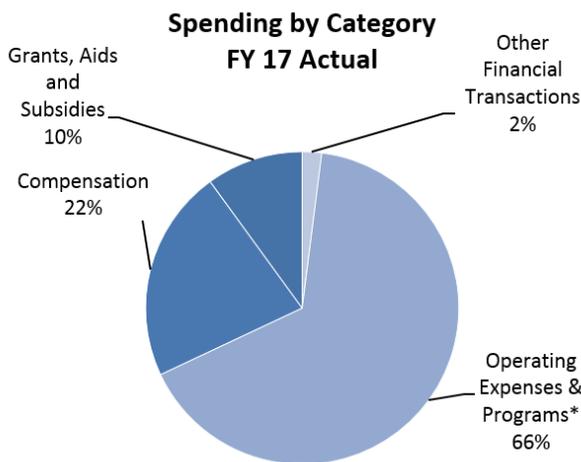
2: Source: June 2018 Longwoods International [Minnesota 2017 Image and Return on Investment Evaluation](#)

PURPOSE

The mission of Explore Minnesota Tourism is to inspire consumers and facilitate their travel to and within Minnesota. We do this by marketing Minnesota tourism, including destinations, lodging, museums, attractions, restaurants, events and outdoor recreation, to consumers. Through consumer advertising, public relations, publications, websites, social media, international marketing and other efforts, we reach millions of potential travelers each year.

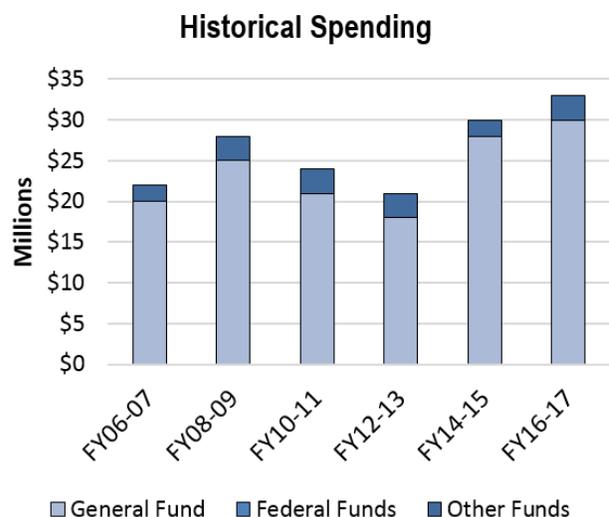
Our work to promote tourism in Minnesota contributes to **a thriving economy that encourages business growth and employment opportunities.**

BUDGET



Explore Minnesota’s Operating Expenses include advertising, marketing, public relations and other tourism promotion efforts

Source: Budget Planning & Analysis System (BPAS)



Historical Spending is inclusive of pass-through appropriations

Source: Consolidated Fund Statement

Explore Minnesota Tourism has a total biennial budget in FY18-19 of \$28.4 million in general fund appropriations, and \$2 million in revenue through advertising sales and marketing programs. We also partner with public and private organizations to maximize resources and reach more consumers.

STRATEGIES

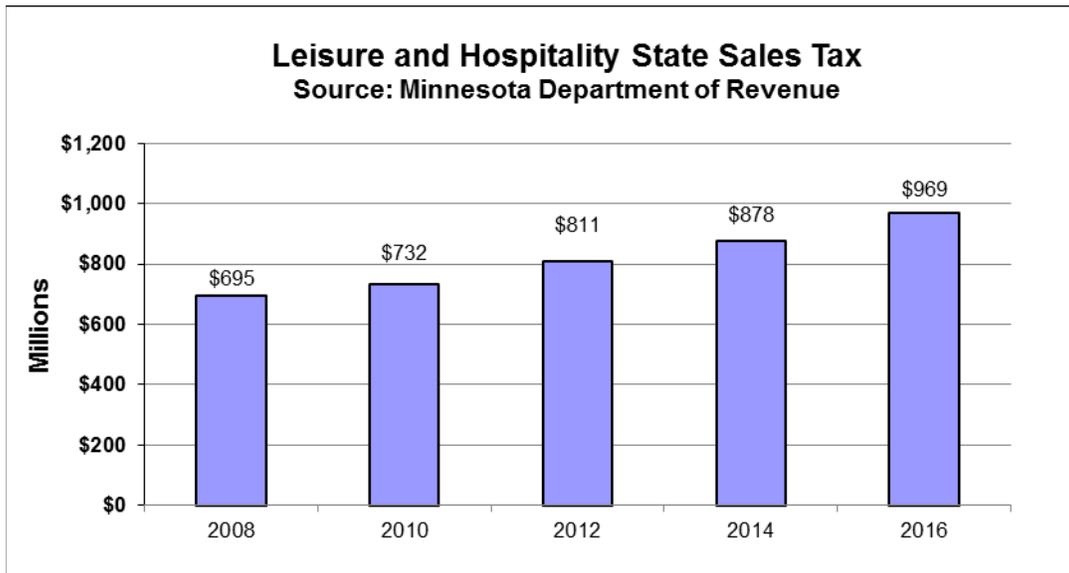
Explore Minnesota Tourism:

- Drives economic vitality by influencing visitation from new and existing domestic and global markets, and takes an entrepreneurial approach to invest in public/private partnerships.
- Creates innovative advertising and promotions that market Minnesota as a travel destination, reaching new audiences through highly-targeted marketing tactics.
- Increases consumer reach and engagement through creation of unique content and innovative campaigns for digital, social media and public relations platforms and channels.
- Provides personalized customer service through diverse touchpoints and mediums, continually improving traveler experiences and satisfaction.

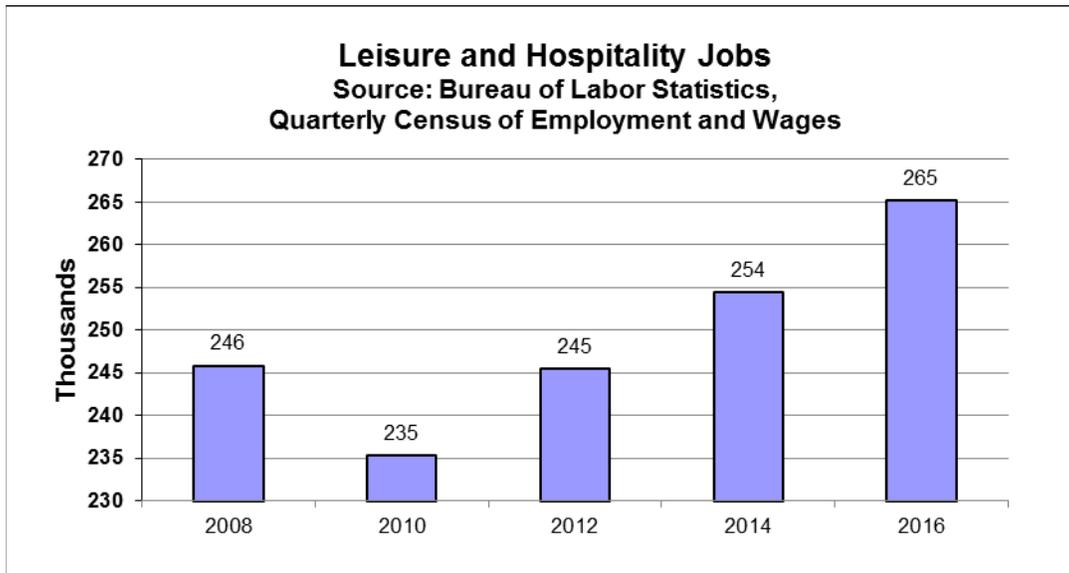
RESULTS



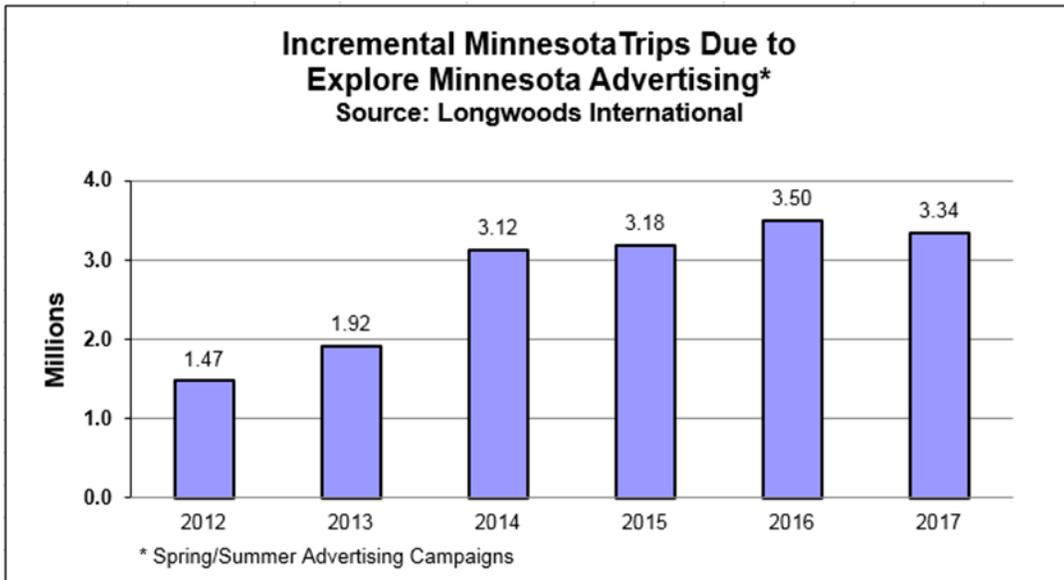
Minnesota’s leisure and hospitality industry is a major provider of tourism services. The increase of gross sales in this sector illustrates the effect of successfully advertising to inspire travel to and throughout Minnesota.



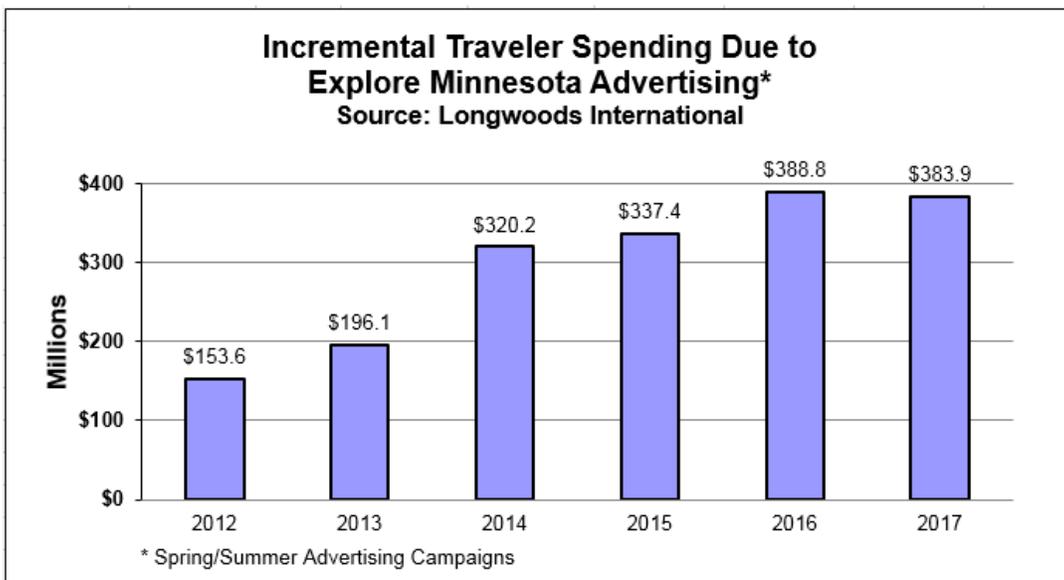
Minnesota’s leisure and hospitality industry is crucial to the state’s vitality, accounting for 18% of total state sales tax revenue. This chart represents substantial 39% growth since 2008 compared with 23% growth over the same period for all other industries.



Minnesota’s 265,000 leisure and hospitality jobs accounted for 11% of the state’s total private sector employment in 2016. The increase to 265,000 jobs in 2016 brought leisure and hospitality employment well above the pre-recession high for the industry.



Explore Minnesota Tourism’s spring/summer advertising campaigns generate millions of Minnesota trips that would not otherwise take place. The impact of Explore Minnesota’s last major budget increase in FY 2014 correlates with the 63% increase in incremental trips in 2014.



Incremental traveler spending also increased in tandem with Explore Minnesota Tourism’s budget increase in 2014, with well over \$300 million in incremental spending due to spring/summer advertising every year since.

MS 116U.30 (<https://www.revisor.mn.gov/statutes/?id=116U>) provides the legal authority for Explore Minnesota Tourism.

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<u>Expenditures by Fund</u>								
1000 - General	13,858	15,703	14,833	15,167	14,344	14,344	14,344	14,344
2000 - Restrict Misc Special Revenue	1,325	1,291	1,155	1,519	1,210	1,210	1,210	1,210
Total	15,184	16,994	15,988	16,686	15,554	15,554	15,554	15,554
Biennial Change				497		(1,566)		(1,566)
Biennial % Change				2		(5)		(5)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Program

Explore Minnesota Tourism	15,184	16,994	15,988	16,686	15,554	15,554	15,554	15,554
Total	15,184	16,994	15,988	16,686	15,554	15,554	15,554	15,554

Expenditures by Category

Compensation	3,590	3,822	3,782	4,001	4,226	4,463	4,226	4,463
Operating Expenses	10,852	11,152	10,592	11,907	10,583	10,360	10,583	10,360
Grants, Aids and Subsidies	741	1,761	1,604	770	740	726	740	726
Capital Outlay-Real Property	2	1						
Other Financial Transaction	(1)	258	10	8	5	5	5	5
Total	15,184	16,994	15,988	16,686	15,554	15,554	15,554	15,554

Full-Time Equivalent

	46.54	48.46	45.85	45.45	45.45	45.45	45.45	45.45
--	-------	-------	-------	-------	-------	-------	-------	-------

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
1000 - General								
Balance Forward In		382		835				
Direct Appropriation	14,118	15,321	15,669	14,332	14,344	14,344	14,344	14,344
Transfers In	100							
Transfers Out	100							
Balance Forward Out	260		835					
Expenditures	13,858	15,703	14,833	15,167	14,344	14,344	14,344	14,344
Biennial Change in Expenditures				439		(1,312)		(1,312)
Biennial % Change in Expenditures				1		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	45.81	47.72	45.45	45.45	45.45	45.45	45.45	45.45

2000 - Restrict Misc Special Revenue

Balance Forward In	806	916	793	688	249	231	249	231
Receipts	1,422	1,168	1,051	1,080	1,192	1,192	1,192	1,192
Balance Forward Out	903	793	688	249	231	213	231	213
Expenditures	1,325	1,291	1,155	1,519	1,210	1,210	1,210	1,210
Biennial Change in Expenditures				57		(254)		(254)
Biennial % Change in Expenditures				2		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	0.73	0.74	0.40					

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	14,332	14,332	14,332	28,664
Base Adjustments				
Pension Allocation		12	12	24
Forecast Base	14,332	14,344	14,344	28,688
Total Governor's Recommendations	14,332	14,344	14,344	28,688
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	1,519	1,210	1,210	2,420
Forecast Base	1,519	1,210	1,210	2,420
Total Governor's Recommendations	1,519	1,210	1,210	2,420
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	1,080	1,192	1,192	2,384
Total Governor's Recommendations	1,080	1,192	1,192	2,384