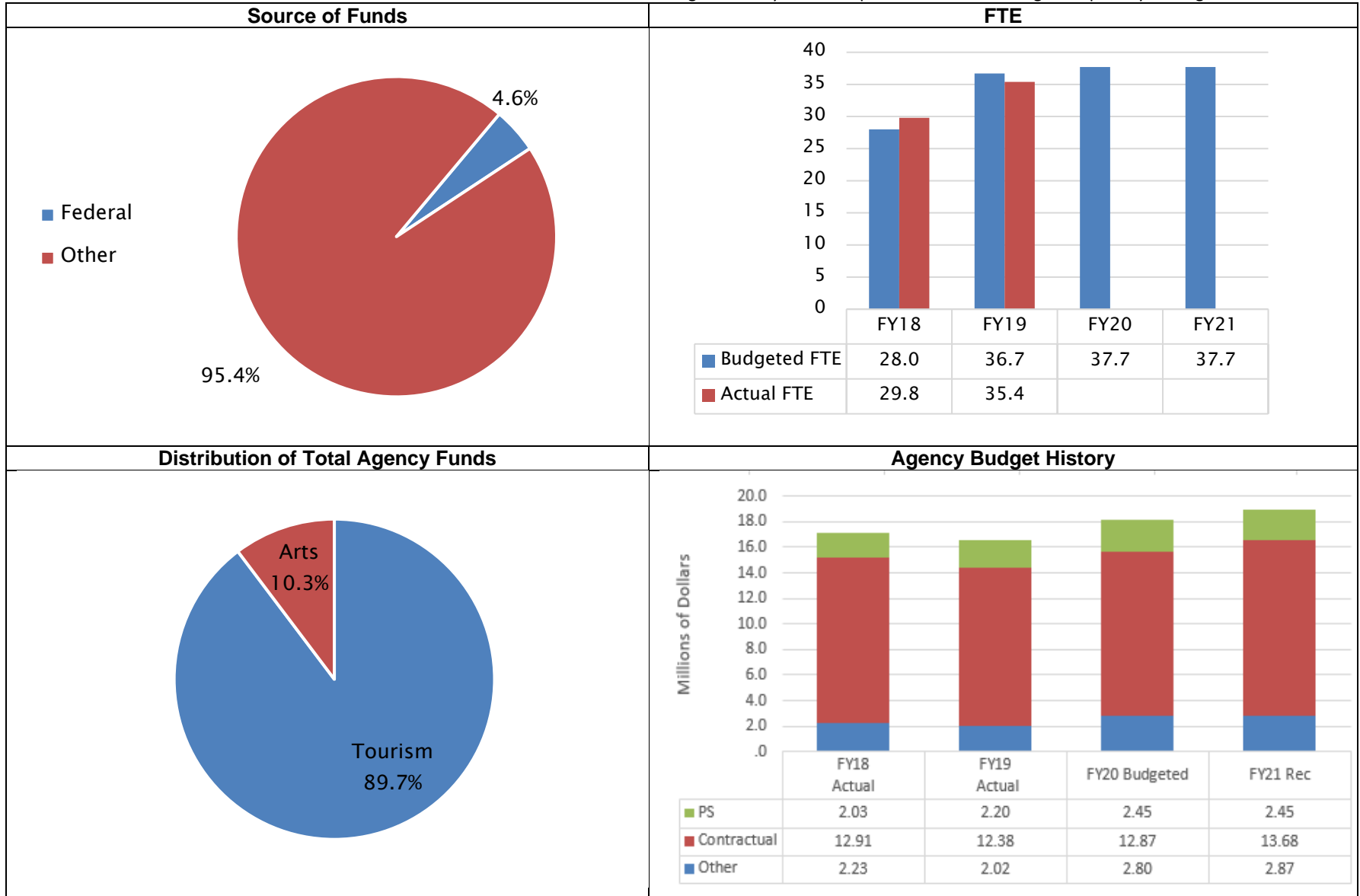


# Fiscal Year 2021 Budget Briefing Department of Tourism

Information contained in this document is based on the Governor's FY2021 Budget and may not correspond with the final budget adopted by the Legislature.



## Key Personnel

- Jim Hagen, Secretary
- Travis Dovre, Finance Officer

## Mission of the Department of Tourism

We work to maximize Tourism's impact on South Dakota's economy by increasing domestic and international travel to our state.

## Department of Tourism Budget Request

	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Agency Request	FY 2021 Governors Recommended	Change From FY 2020
<b>BY PROGRAM</b>						
Tourism	15,436,959	15,038,483	16,227,872	17,038,036	17,038,036	810,164
Arts	1,737,981	1,554,182	1,890,071	1,954,026	1,954,026	63,955
<b>Total</b>	<b>17,174,940</b>	<b>16,592,665</b>	<b>18,117,943</b>	<b>18,992,062</b>	<b>18,992,062</b>	<b>874,119</b>
<b>BY FUND CATEGORY</b>						
General	0	0	0	0	0	0
Federal	787,516	716,746	879,260	879,260	879,260	0
Other	16,387,424	15,875,920	17,238,683	18,112,802	18,112,802	874,119
<b>Total</b>	<b>17,174,940</b>	<b>16,592,666</b>	<b>18,117,943</b>	<b>18,992,062</b>	<b>18,992,062</b>	<b>874,119</b>
<b>BY OBJECT EXPENDITURE</b>						
<b>Personnel Costs</b>	<b>2,031,409</b>	<b>2,196,216</b>	<b>2,445,543</b>	<b>2,445,543</b>	<b>2,445,543</b>	<b>0</b>
Salaries	1,565,743	1,735,122	1,910,023	1,910,023	1,910,023	0
Benefits	465,665	461,094	535,520	535,520	535,520	0
<b>Operating Expenditures</b>	<b>15,143,531</b>	<b>14,396,449</b>	<b>15,672,400</b>	<b>16,546,519</b>	<b>16,546,519</b>	<b>874,119</b>
Travel	267,510	275,087	270,501	270,501	270,501	0
Contractual Services	12,909,902	12,127,064	12,867,846	13,678,010	13,678,010	810,164
Supplies and Materials	343,012	319,304	452,264	452,264	452,264	0
Grants and Subsidies	1,544,433	1,632,911	1,841,789	1,905,744	1,905,744	63,955
Capital Outlay	72,647	38,507	40,000	40,000	40,000	0
Other	6,026	3,576	200,000	200,000	200,000	0
<b>Total</b>	<b>17,174,938</b>	<b>16,592,665</b>	<b>18,117,943</b>	<b>18,992,062</b>	<b>18,992,062</b>	<b>874,119</b>
<b>Full-Time Equivalent (FTE)</b>	<b>29.8</b>	<b>35.4</b>	<b>37.7</b>	<b>37.7</b>	<b>37.7</b>	<b>0.0</b>

### Major Items Summary - Department of Tourism

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>FY 2021 Base Budget</b>	0	879,260	17,238,683	18,117,943	37.7	0	879,260	17,238,683	18,117,943	37.7
<b>Maintenance of Current Operations</b>										
<b>Total Maintenance Adjustments</b>	0	0	0	0	0.0	0	0	0	0	0.0
<b>FY 2021 Program Maintenance Budget</b>	0	879,260	17,238,683	18,117,943	37.7	0	879,260	17,238,683	18,117,943	37.7
<b>Program Line Items</b>										
1. Marketing and Advertising Expansion	0	0	810,164	810,164	0.0	0	0	810,164	810,164	0.0
2. Expand Existing Art Programs	0	0	63,955	63,955	0.0	0	0	63,955	63,955	0.0
<b>Total Program Line Items</b>	0	0	874,119	874,119	0.0	0	0	874,119	874,119	0.0
<b>FY 2021 Total Budget</b>	0	879,260	18,112,802	18,992,062	37.7	0	879,260	18,112,802	18,992,062	37.7
Change from Base Budget	0	0	874,119	874,119	0.0	0	0	874,119	874,119	0.0
% Change from Base Budget	0.0%	0.0%	5.1%	4.8%	0.0%	0.0%	0.0%	5.1%	4.8%	0.0%

### Prior and Current Year Budget Recap - Department of Tourism

	FTE	General	Federal	Other	Total
<b>Prior Year Recap</b>					
<b>FY 2019 Original Budget</b>	36.7	0	878,000	16,691,839	17,569,839
<b>Legislative Adjustments</b>					
Prior Year Supplemental Health Insurance			0	2,393	2,393
Prior Year Supplemental Health Insurance			0	8,784	8,784
<b>Total Legislative Adjustments</b>	0.0	0	0	11,177	11,177
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	0.0	0	0	0	0
<b>FY 2019 Adjusted Budget</b>	36.7	0	878,000	16,703,016	17,581,016
<b>Reversions</b>					
Prior Year Reversions			0	(93,384)	(93,384)
Prior Year Reversions			0	(733,712)	(894,966)
<b>Total Reversions</b>	0.0	0	(161,254)	(827,096)	(988,350)
<b>Unutilized FTE</b>	(1.3)				
<b>FY 2019 Percent Reverted</b>	3.6%	0	(18.4%)	(5.0%)	(5.6%)

	FTE	General	Federal	Other	Total
<b>Current Year Recap</b>					
<b>FY 2020 Original Budget</b>	<b>37.7</b>	<b>0</b>	<b>878,000</b>	<b>17,108,295</b>	<b>17,986,295</b>
<b>Legislative Adjustments</b>					
Salary Policy	PS	0	1,260	51,758	53,018
Health Insurance	PS	0	0	46,428	46,428
Salary Policy	OE	0	0	3,274	3,274
Health Insurance	OE	0	0	2,757	2,757
Bureau Billings	OE	0	0	11,540	11,540
Lodging and Per Diem	OE	0	0	14,631	14,631
<b>Total Legislative Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>1,260</b>	<b>130,388</b>	<b>131,648</b>
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2020 Adjusted Budget</b>	<b>37.7</b>	<b>0</b>	<b>879,260</b>	<b>17,238,683</b>	<b>18,117,943</b>

## Tourism Programs and Functions

Department of Tourism

Division	Primary Objective	Programs/Activities
Global Marketing and Brand Strategy	Promote South Dakota as a vacation destination	Marketing campaign strategy, development and management Brand strategy development and management Website development and management Co-op Marketing strategy, development and management Content production and graphic design
Global Media & Public Relations	Promote South Dakota as a vacation destination via public relations efforts	Public Relations & Department Communications strategy Hosting travel writers Hosting social media influencers Earned media Take media information requests (interviews, photos, etc.) Press release writing and development
Industry Outreach, Development and Research	Develop and strengthen South Dakota's tourism industry	Annual Tourism Conference Proactive outreach to industry partners Administer grants to regional tourism associations Provide training and development resources to industry Fulfillment and visitor services
	Research and Reporting	Monitoring of monthly travel indicators Reporting of economic impact, visitor profiles and marketing data
	Management of the State's Welcome Centers	Hiring, training and management of seasonal staff Curation of Welcome Center Exhibits
Global Travel and Trade	Promote South Dakota as a vacation destination in foreign markets	Europe, Canada, Australia, China and Japan Proactive networking product creation with international tour operators and travel agents Co-op marketing with international travel trade companies Managing our International representatives
	Promote South Dakota as a destination for group tour operators	Attend motor coach tradeshows to promote SD Work directly with motor coach operators to develop product and itineraries for their tours
	Educate South Dakota suppliers on who to work with travel trade professionals	Outreach events and trainings on how to best work with travel trade Introducing South Dakota suppliers to travel trade Tradeshows prep and leads for South Dakota suppliers
Administrative Services	Provide all around administrative support for the Department of Tourism	Budgeting Accounting Accounts Payable Purchasing Internal controls

**TOURISM (0420)**

We work to maximize Tourism's impact on South Dakota's economy by increasing domestic and international travel to our state.

**BUDGET REQUEST: TOURISM (0420)**

	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Agency Request	FY 2021 Governors Recommended	Change From FY 2020
<b>BY PROGRAM</b>						
Tourism	15,436,959	15,038,483	16,227,872	17,038,036	17,038,036	810,164
<b>Total</b>	<b>15,436,959</b>	<b>15,038,483</b>	<b>16,227,872</b>	<b>17,038,036</b>	<b>17,038,036</b>	<b>810,164</b>
<b>BY FUND CATEGORY</b>						
General	0	0	0	0	0	0
Federal	0	0	0	0	0	0
Other	15,436,959	15,038,483	16,227,872	17,038,036	17,038,036	810,164
<b>Total</b>	<b>15,436,959</b>	<b>15,038,483</b>	<b>16,227,872</b>	<b>17,038,036</b>	<b>17,038,036</b>	<b>810,164</b>
<b>BY OBJECT EXPENDITURE</b>						
<b>Personnel Costs</b>	<b>1,760,078</b>	<b>1,924,200</b>	<b>2,102,507</b>	<b>2,102,507</b>	<b>2,102,507</b>	<b>0</b>
Salaries	1,352,371	1,518,135	1,642,499	1,642,499	1,642,499	0
Benefits	407,706	406,065	460,008	460,008	460,008	0
<b>Operating Expenditures</b>	<b>13,676,881</b>	<b>13,114,283</b>	<b>14,125,365</b>	<b>14,935,529</b>	<b>14,935,529</b>	<b>810,164</b>
Travel	248,093	252,212	242,541	242,541	242,541	0
Contractual Services	12,801,338	12,037,982	12,745,824	13,555,988	13,555,988	810,164
Supplies and Materials	336,905	315,581	446,000	446,000	446,000	0
Grants and Subsidies	231,842	471,000	471,000	471,000	471,000	0
Capital Outlay	58,703	37,509	20,000	20,000	20,000	0
Other	0	0	200,000	200,000	200,000	0
<b>Total</b>	<b>15,436,958</b>	<b>15,038,484</b>	<b>16,227,872</b>	<b>17,038,036</b>	<b>17,038,036</b>	<b>810,164</b>
<b>Full-Time Equivalent (FTE)</b>	<b>26.8</b>	<b>32.4</b>	<b>33.7</b>	<b>33.7</b>	<b>33.7</b>	<b>0.0</b>
<b>FUNDING Sources (Agency Recommended)</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>%General</b>	<b>%Federal</b>	<b>%Other</b>
TOURISM PROMOTION FUND	0	0	17,038,036	0.0%	0.0%	100.0%

**MAJOR ITEMS SUMMARY: TOURISM (0420)**

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>FY 2021 Base Budget</b>	0	0	16,227,872	16,227,872	33.7	0	0	16,227,872	16,227,872	33.7
<b>Maintenance of Current Operations</b>										
<b>Total Maintenance Adjustments</b>	0	0	0	0	0.0	0	0	0	0	0.0
<b>FY 2021 Program Maintenance Budget</b>	0	0	16,227,872	16,227,872	33.7	0	0	16,227,872	16,227,872	33.7
<b>Program Line Items</b>										
1. Marketing and Advertising Expansion	0	0	810,164	810,164	0.0	0	0	810,164	810,164	0.0
<b>Total Program Line Items</b>	0	0	810,164	810,164	0.0	0	0	810,164	810,164	0.0
<b>FY 2021 Total Budget</b>	0	0	17,038,036	17,038,036	33.7	0	0	17,038,036	17,038,036	33.7
Change from Base Budget	0	0	810,164	810,164	0.0	0	0	810,164	810,164	0.0
% Change from Base Budget	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%

### BUDGET DETAIL: TOURISM (0420)

	FTE	General	Federal	Other	Total
<b>Prior Year Recap</b>					
<b>FY 2019 Original Budget</b>	33.7	0	0	15,740,963	15,740,963
<b>Legislative Adjustments</b>					
Prior Year Supplemental Health Insurance			0	2,137	2,137
Prior Year Supplemental Health Insurance			0	8,303	8,303
<b>Total Legislative Adjustments</b>	0.0	0	0	10,440	10,440
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	0.0	0	0	0	0
<b>FY 2019 Adjusted Budget</b>	33.7	0	0	15,751,403	15,751,403
<b>Reversions</b>					
Prior Year Reversions			0	(93,384)	(93,384)
Prior Year Reversions			0	(619,536)	(619,536)
<b>Total Reversions</b>	0.0	0	0	(712,920)	(712,920)
<b>Unutilized FTE</b>	(1.3)				
<b>FY 2019 Percent Reverted</b>	3.9%	0	0	(4.5%)	(4.5%)

	FTE	General	Federal	Other	Total
<b>Current Year Recap</b>					
<b>FY 2020 Original Budget</b>	<b>33.7</b>	<b>0</b>	<b>0</b>	<b>16,111,498</b>	<b>16,111,498</b>
<b>Legislative Adjustments</b>					
Salary Policy	PS	0	0	45,594	45,594
Health Insurance	PS	0	0	41,466	41,466
Salary Policy	OE	0	0	2,853	2,853
Health Insurance	OE	0	0	2,420	2,420
Bureau Billings	OE	0	0	10,899	10,899
Lodging and Per Diem	OE	0	0	13,142	13,142
<b>Total Legislative Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>116,374</b>	<b>116,374</b>
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2020 Adjusted Budget</b>	<b>33.7</b>	<b>0</b>	<b>0</b>	<b>16,227,872</b>	<b>16,227,872</b>
<b>FY 2021 Base</b>					
Agency Request	33.7	0	0	16,227,872	16,227,872
Governor's Recommendation	33.7	0	0	16,227,872	16,227,872
<b>FY 2021 Maintenance of Current Operations</b>					
Agency Request	33.7	0	0	16,227,872	16,227,872
Governor's Recommendation	33.7	0	0	16,227,872	16,227,872

## 1. Marketing and Advertising Expansion

The Department requests an increase of **\$810,164** in **other funds** expenditure authority for increased marketing opportunities. The source of funds comes from expected revenue growth in the tourism promotion tax.

Marketing consists of traditional broadcast television commercials, targeted cable television commercials, alternative television commercials, print placements, digital and social media marketing, public relations, radio and podcast placements Billboard/Out of Home marketing, activations/guerilla marketing, targeted email marketing, and travel shows. Any increase in funds will be utilized in television, print, digital and radio marketing in the neighboring states and new markets including west coast states.

	FTE	General	Federal	Other	Total
Agency Request	0.0	0	0	810,164	810,164
Governor's Recommendation	0.0	0	0	810,164	810,164
<b>FY 2021 Total</b>					
Agency Request	33.7	0	0	17,038,036	17,038,036
Governor's Recommendation	33.7	0	0	17,038,036	17,038,036



	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Agency Request					
Change from Original Appropriation	0.0	0	0	810,164	810,164
% Change from Original Appropriation	0.0%	0.0%	0.0%	5.0%	5.0%
<i>Governor's Recommendation</i>					
Change from Original Appropriation	0.0	0	0	810,164	810,164
% Change from Original Appropriation	0.0%	0.0%	0.0%	5.0%	5.0%

### REVENUES AND STATISTICS: TOURISM (0420)

	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Estimated FY 2020</b>	<b>Estimated FY 2021</b>
<b>Revenues</b>				
Promotion Tax	11,262,947	12,008,530	12,622,788	13,479,367
Gaming	3,242,285	3,100,568	3,142,867	3,208,669
Co-op Revolving	402,718	234,854	320,000	320,000
Investment Council Interest	35,668	42,058	30,000	30,000
<b>Performance Indicators</b>	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Estimated FY 2020</b>	<b>Estimated FY 2021</b>
Tourism's Economic and Fiscal Impacts				
Total Impact (Direct & Indirect)	\$2.59B	\$2.65B	\$2.71B	\$2.76B
Total Visitation (millions)	13.85M	14.10M	14.31M	14.52M
Employment (Direct & Indirect)	53,894	54,723	55,570	55,822
Government Revenue Generated	\$290M	\$298M	\$304M	\$310M
Visitor Spending (in billions)	\$3.88B	\$3.98B	\$4.06B	\$4.14B

## ARTS (0441)

The South Dakota Arts Council is a state agency serving South Dakotans and their communities through the arts. Recognizing the importance of creativity in the lives of South Dakotans, the SD Arts Council makes quality arts accessible throughout the state by providing encouragement, grants, services, and information to artists, arts organizations, schools, and the public.

## BUDGET REQUEST: ARTS (0441)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Budget	FY 2021 Agency Request	FY 2021 Governors Recommended	Change From FY 2020
<b>BY PROGRAM</b>						
Arts	1,737,981	1,554,182	1,890,071	1,954,026	1,954,026	63,955
<b>Total</b>	<b>1,737,981</b>	<b>1,554,182</b>	<b>1,890,071</b>	<b>1,954,026</b>	<b>1,954,026</b>	<b>63,955</b>
<b>BY FUND CATEGORY</b>						
General	0	0	0	0	0	0
Federal	787,516	716,746	879,260	879,260	879,260	0
Other	950,465	837,437	1,010,811	1,074,766	1,074,766	63,955
<b>Total</b>	<b>1,737,981</b>	<b>1,554,183</b>	<b>1,890,071</b>	<b>1,954,026</b>	<b>1,954,026</b>	<b>63,955</b>
<b>BY OBJECT EXPENDITURE</b>						
<b>Personnel Costs</b>	<b>271,331</b>	<b>272,016</b>	<b>343,036</b>	<b>343,036</b>	<b>343,036</b>	<b>0</b>
Salaries	213,372	216,987	267,524	267,524	267,524	0
Benefits	57,959	55,029	75,512	75,512	75,512	0
<b>Operating Expenditures</b>	<b>1,466,650</b>	<b>1,282,166</b>	<b>1,547,035</b>	<b>1,610,990</b>	<b>1,610,990</b>	<b>63,955</b>
Travel	19,417	22,875	27,960	27,960	27,960	0
Contractual Services	108,564	89,082	122,022	122,022	122,022	0
Supplies and Materials	6,107	3,724	6,264	6,264	6,264	0
Grants and Subsidies	1,312,591	1,161,911	1,370,789	1,434,744	1,434,744	63,955
Capital Outlay	13,944	999	20,000	20,000	20,000	0
Other	6,026	3,576	0	0	0	0
<b>Total</b>	<b>1,737,980</b>	<b>1,554,183</b>	<b>1,890,071</b>	<b>1,954,026</b>	<b>1,954,026</b>	<b>63,955</b>
<b>Full-Time Equivalent (FTE)</b>	<b>3.0</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>
<b>FUNDING Sources (Agency Recommended)</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>%General</b>	<b>%Federal</b>	<b>%Other</b>
BSG-NEA-BASIC STATE GRANT	0	879,260	0	0.0%	100.0%	0.0%
FINE ARTS	0	0	1,074,766	0.0%	0.0%	100.0%

**MAJOR ITEMS SUMMARY: ARTS (0441)**

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>FY 2021 Base Budget</b>	0	879,260	1,010,811	1,890,071	4.0	0	879,260	1,010,811	1,890,071	4.0
<b>Maintenance of Current Operations</b>										
<b>Total Maintenance Adjustments</b>	0	0	0	0	0.0	0	0	0	0	0.0
<b>FY 2021 Program Maintenance Budget</b>	0	879,260	1,010,811	1,890,071	4.0	0	879,260	1,010,811	1,890,071	4.0
<b>Program Line Items</b>										
1. Expand Existing Art Programs	0	0	63,955	63,955	0.0	0	0	63,955	63,955	0.0
<b>Total Program Line Items</b>	0	0	63,955	63,955	0.0	0	0	63,955	63,955	0.0
<b>FY 2021 Total Budget</b>	0	879,260	1,074,766	1,954,026	4.0	0	879,260	1,074,766	1,954,026	4.0
Change from Base Budget	0	0	63,955	63,955	0.0	0	0	63,955	63,955	0.0
% Change from Base Budget	0.0%	0.0%	6.3%	3.4%	0.0%	0.0%	0.0%	6.3%	3.4%	0.0%

**BUDGET DETAIL: ARTS (0441)**

	FTE	General	Federal	Other	Total
<b>Prior Year Recap</b>					
<b>FY 2019 Original Budget</b>	3.0	0	878,000	950,876	1,828,876
<b>Legislative Adjustments</b>					
Prior Year Supplemental Health Insurance			0	256	256
Prior Year Supplemental Health Insurance			0	481	481
<b>Total Legislative Adjustments</b>	0.0	0	0	737	737
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	0.0	0	0	0	0
<b>FY 2019 Adjusted Budget</b>	3.0	0	878,000	951,613	1,829,613
<b>Reversions</b>					
Prior Year Reversions			0	0	0
Prior Year Reversions			0	(114,176)	(114,176)
<b>Total Reversions</b>	0.0	0	(161,254)	(114,176)	(275,430)
<b>Unutilized FTE</b>	0.0				
FY 2019 Percent Reverted	0.0%	0	(18.4%)	(12.0%)	(15.1%)

Current Year Recap	FTE	General	Federal	Other	Total
<b>FY 2020 Original Budget</b>	<b>4.0</b>	<b>0</b>	<b>878,000</b>	<b>996,797</b>	<b>1,874,797</b>
<b>Legislative Adjustments</b>					
Salary Policy	PS	0	1,260	6,164	7,424
Health Insurance	PS	0	0	4,962	4,962
Salary Policy	OE	0	0	421	421
Health Insurance	OE	0	0	337	337
Bureau Billings	OE	0	0	641	641
Lodging and Per Diem	OE	0	0	1,489	1,489
<b>Total Legislative Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>1,260</b>	<b>14,014</b>	<b>15,274</b>
<b>Agency Adjustments</b>					
<b>Total Agency Adjustments</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2020 Adjusted Budget</b>	<b>4.0</b>	<b>0</b>	<b>879,260</b>	<b>1,010,811</b>	<b>1,890,071</b>
<b>FY 2021 Base</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Agency Request	4.0	0	879,260	1,010,811	1,890,071
<i>Governor's Recommendation</i>	4.0	0	879,260	1,010,811	1,890,071
<b>FY 2021 Maintenance of Current Operations</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Agency Request	4.0	0	879,260	1,010,811	1,890,071
<i>Governor's Recommendation</i>	4.0	0	879,260	1,010,811	1,890,071

### 1. Expand Existing Art Programs

The Department requests an increase of **\$63,955** in **other funds** based on the projected revenue increase for tourism promotion tax and will be used to support the arts community through grants.

Agency Request	FTE	General	Federal	Other	Total
	0.0	0	0	63,955	63,955
<i>Governor's Recommendation</i>	0.0	0	0	63,955	63,955
<b>FY 2021 Total</b>	<b>FTE</b>	<b>General</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
Agency Request	4.0	0	879,260	1,074,766	1,954,026
<i>Governor's Recommendation</i>	4.0	0	879,260	1,074,766	1,954,026
Agency Request	FTE	General	Federal	Other	Total
Change from Original Appropriation	0.0	0	0	63,955	63,955
% Change from Original Appropriation	0.0%	0.0%	0.0%	6.3%	3.4%

<i>Governor's Recommendation</i>					
<i>Change from Original Appropriation</i>	0.0	0	0	63,955	63,955
<i>% Change from Original Appropriation</i>	0.0%	0.0%	0.0%	6.3%	3.4%

<b>REVENUES AND STATISTICS: ARTS (0441)</b>
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<b>Revenues</b>	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Estimated FY 2020</b>	<b>Estimated FY 2021</b>
Promotion Tax	903,561	930,627	1,006,468	1,074,766
<b>Performance Indicators</b>	<b>Actual FY 2018</b>	<b>Actual FY 2019</b>	<b>Estimated FY 2020</b>	<b>Estimated FY 2021</b>
Co-Sponsored Events	7,790	7,845	7,750	7,750
Attendance at Co-Sponsored Events	1,032,612	1,039,840	1,027,242	1,050,000
Total Grants/Projects	474	477	472	475
Artists Served	9,290	9,355	9,242	9,300
Artists in Schools Residency - Weeks	201	212	204	205
Youth Served	326,011	328,293	324,316	326,500
Touring Arts Bookings	203	204	201	203
Touring Arts Attendance	83,939	84,527	83,503	84,000
Fund for Grants & Special Projects	\$1.36M	\$1.37M	\$1.35M	\$1.36M
Local Matching Funds	\$19.5M	\$19.6M	\$19.4M	\$19.5M

## Information on Tourism Funding

### State Programs Included in the Office of Tourism:

- The **Tourism Promotion Fund** was created in 1994 in SDCL 1-52-17. The funding source of the Tourism Promotion Fund is 40% of gaming tax revenues (SDCL 42-7B-48) and a 1.5% tax on the gross receipts from any lodging establishment, campground, motor vehicle rental, visitor attraction, recreational equipment rental, recreational service, spectator event, and visitor-intensive business (SDCL 10-45D-2). The gross receipts tax on the visitor-intensive businesses is imposed only during the months of June, July, August, and September, all of the others collect twelve months out of the year. The gross receipts tax was increased during the 2009 Legislative session from 1% to 1.5% effective on July 1, 2009. This increase was extended during the 2011 Legislative session and would have reverted back to 1% on July 1, 2013. HB 1066 passed in the 2013 legislative session to continue the current rate of 1.5% for the gross receipts tax.

The FY21 estimated revenue is **\$15,395,931** from the 1.5% gross receipts tax. 1% of the gross receipts tax goes to the Tourism division and the remaining .5% portion is distributed between Tourism, Arts, and History. The distribution of the funds is based on a Letter of Intent passed by the Joint Committee on Appropriations during the 2011 session. In FY21, the estimated 1.5% gross receipts tax would be distributed as follows:

Tourism Division: 1% - **\$10,263,954** and 62.654463% of the .5% is **\$3,215,413 = \$13,479,367.**

Arts: 20.942536% of the .5% is **\$1,074,766.**

Archaeological Research Center: 9.673285% of the .5% is **\$496,431.**

Cultural Heritage Center Museum: 6.729716% of the .5% is **\$345,367.**

- The **South Dakota Gaming Commission Fund** was created in SDCL 42-7B-48. All proceeds from the gaming tax, license stamp fees, license fees, application fees, the net proceeds generated by the operation of the five-cent slot machines, and the initial fund are continuously appropriated. All funds received by the commission shall be set forth in an informational budget as described in SDCL 4-7-7.2 and be annually reviewed by the Legislature. Any disbursement from the Gaming Commission Fund shall be by authorization of the executive secretary for any of the following purposes:
  - Forty percent of the gaming tax collected shall be transferred to the Tourism Promotion Fund created in SDCL 1-52-17, and ten percent of the gaming tax collected shall be paid to Lawrence county;
  - The expenses of the commission for administration and operation including litigation and enforcement of this chapter, chapter 42.7 and for grants as provided by SDCL 42-7B-48.3; and
  - All funds remaining after the payments provided in subdivision (1) and (2) less one hundred thousand dollars, which shall be transferred to the Historical Preservation Loan and Grant Fund created in SDCL 1-19A-13.1 constitute the net municipal proceeds and shall be disbursed at least quarterly to the City of Deadwood for deposit in the Historic Restoration and Preservation Fund.

FY21 estimated revenue from Gaming Tax is **\$3,208,669.**

- **Co-op Revolving Funding** – The department advertises jointly with public and private sectors to pool and leverage resources, increase outreach to target audiences in new and emerging markets that industry may not be able to do on their own. Co-ops include: Community Co-op Program, Group Tour Magazine Co-op, Peak Magazine Co-op, Great Getaways Insert Direct Mail Co-op, and many others available on SDVisit.com.

<b>Historical Budget Changes</b>
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	General	Federal	Other	Total	FTE
<b>FY 2018 Budget</b>					
<b>Line Items</b>					
* Marketing & Advertising Expansion	0	0	817,148	817,148	0.0
* Expand Existing Art Programs	0	0	101,070	101,070	0.0
<b>FY 2019 Budget</b>					
<b>Maintenance of Current Operations</b>					
* Remove Excess Authority	0	0	(24,578)	(24,578)	0.0
<b>Line Items</b>					
* Swapping Contracted for New Employees	0	0	(17,814)	(17,814)	8.0
* Personal Services Shortfall and Cushion	0	0	42,392	42,392	0.7
<b>FY 2020 Budget</b>					
<b>Line Items</b>					
* Tourism Promotion Tax Reallocation	0	0	0	0	0.0
* Marketing and Advertising Expansion	0	0	370,535	370,535	0.0
* Arts Grants Manager FTE	0	0	0	0	1.0
* Offset for Reduction in OE Federal Funds	0	0	45,921	45,921	0.0