

DEPARTMENT OF TOURISM BUDGET HEARING

Joint Committee On Appropriations

January 30, 2025

TRAVEL SOUTH DAKOTA DIVISIONS



ABOUT TRAVEL SOUTH DAKOTA



Travel South Dakota's Mission

We enhance the quality of life for all South Dakotans by strengthening our communities and their tourism economies, encouraging responsible stewardship of our destination, and creating meaningful experiences for all to enjoy.

TRAVEL SOUTH DAKOTA TEAMS



Global
Marketing &
Brand Strategy



Public
Relations &
Content
Services



Global Travel
& Trade

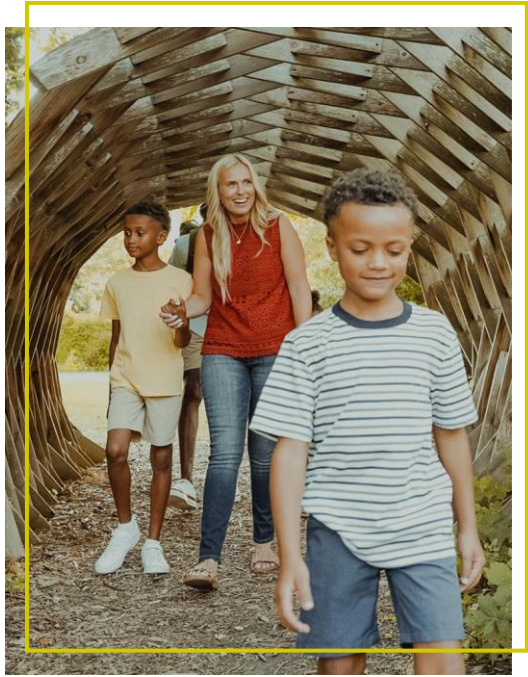


Industry
Relations,
Development
& Research



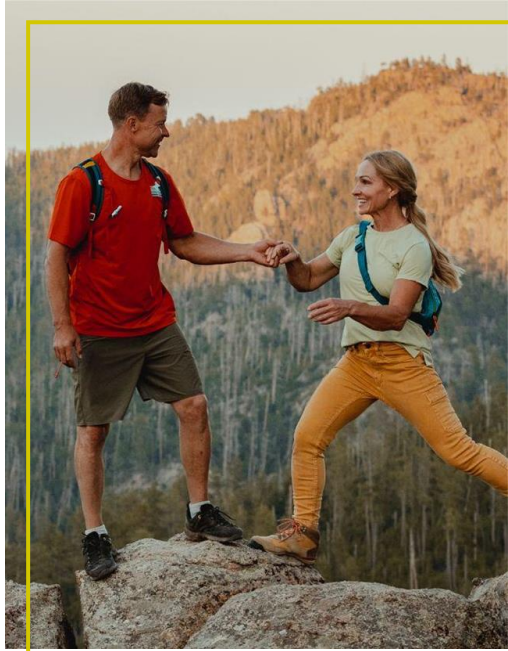
Finance &
Administration

PRIMARY AUDIENCES



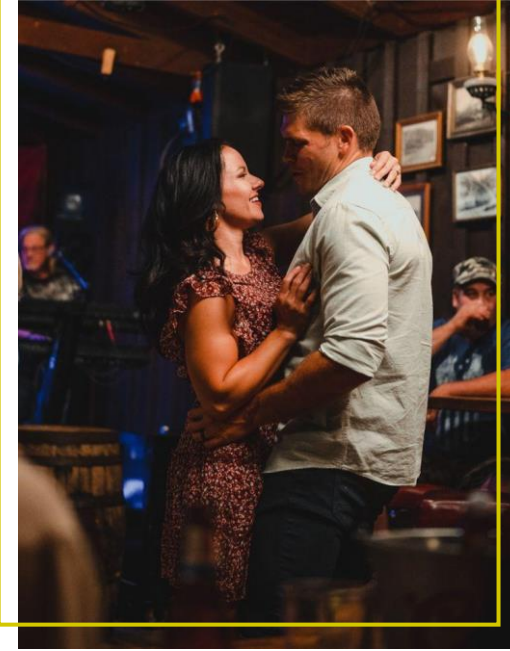
MEMORY MAKERS

FAMILIES, 25-44, HHI: \$60-150K, CHILDREN IN HH, FAMILY IS EVERYTHING



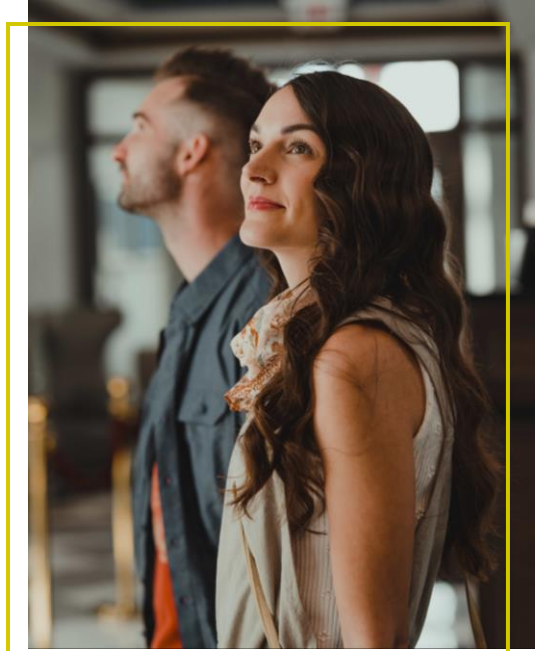
MOMENT SEEKERS

OLDER COUPLES, AGE 50+, HHI: \$100K+, NO CHILDREN



THRILL CHASERS

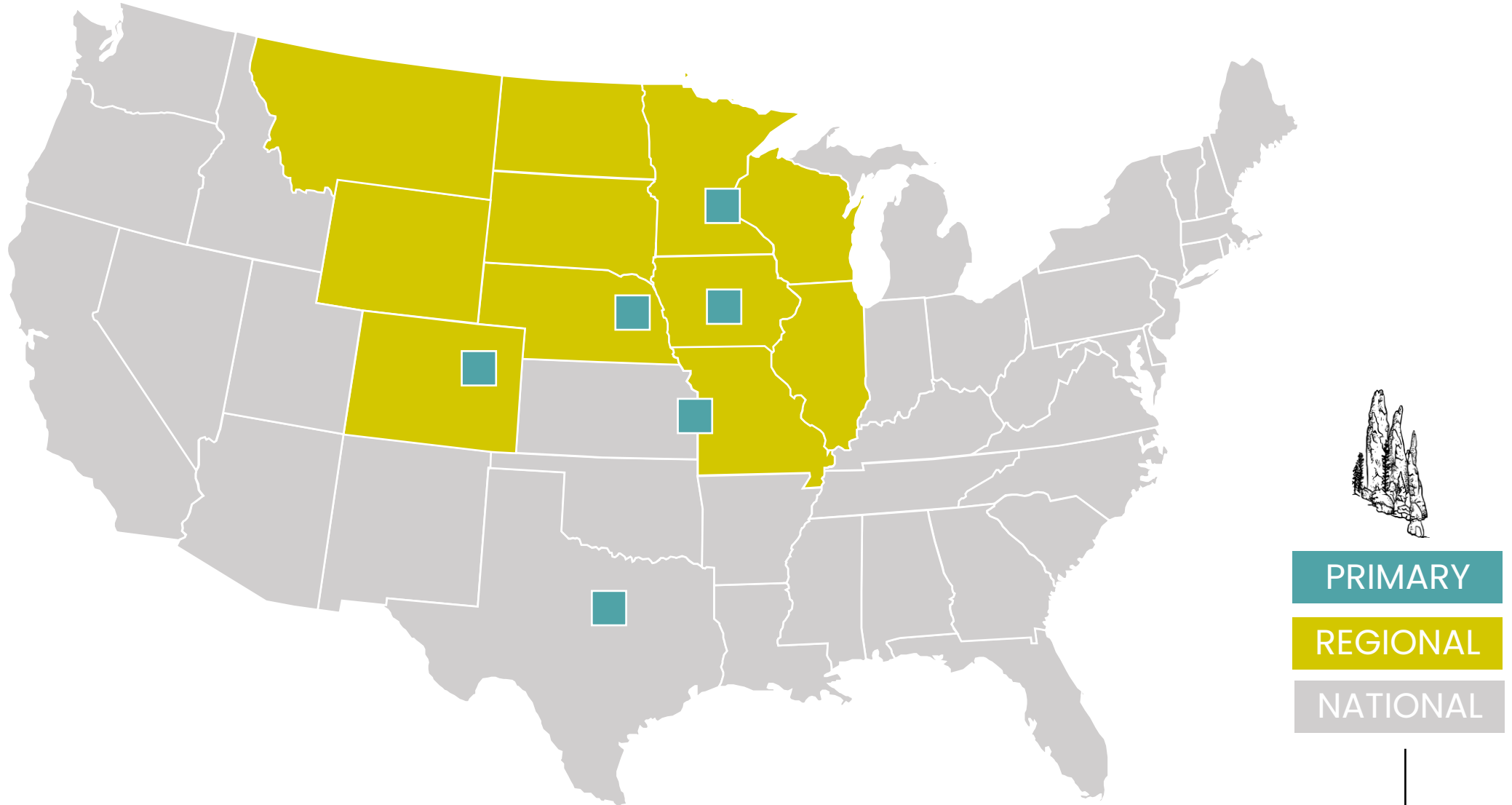
YOUNGER COUPLES, 25-44, HHI: \$50-100K, NO CHILDREN



KNOWN TRAVELERS

WITHIN OUR GENERAL AUDIENCE BUT HAVE ALREADY SHOWN BOOKING INTENT

PEAK FY24 MARKETS



SOUTH DAKOTA ARTS COUNCIL

Arts Council's Mission

Recognizing the importance of creativity in the lives of all South Dakotans, the Arts Council makes quality arts accessible throughout the state by providing encouragement, grants, services, and information to artists, arts organizations, schools, and the public. The Council strives to ensure access to the arts and educational arts opportunities as part of lifelong learning in South Dakota.

59 YEARS OF SERVICE – South Dakota Arts Council (SDAC) established by the Legislature in 1966



SOUTH DAKOTA ARTS COUNCIL PRIMARY OPERATIONS

Primary Operations

- Supporting artistic/cultural output and development for eligible organizations and artists through grant funding
- Coordinating public art program displaying S.D. artwork in state-owned buildings in capital city
- Providing constituents with technical assistance and development opportunities in the artsPOP
- Maintaining two flagship artist programs bringing the arts to communities and classrooms across the state:
 - Residency-based teaching artists
 - Touring Artists



IMPACT OF SOUTH DAKOTA ARTS COUNCIL (SDAC)

SDAC grant-making in SFY2024, ...

\$2M

Annual budget for grants,
initiatives, and special projects
(nearly 77% of overall budget)

357 grants

Awarded to nonprofits, schools,
governments, and artists

→ 2,453,373 people: total audience reached

→ 720,617 youth: at SDAC-supported events

→ 14,761 artists: engaged in supported projects

→ 9,396 students of all ages: involved in 139
weeks of arts education residencies

→ 110 communities

→ Over 80% of all counties

→ Resulted in over \$29.6M in local spending

→ 140 events: put on across the entire state
by roster of touring artists

2024 RESULTS & ECONOMIC IMPACT

Source: Tourism Economics

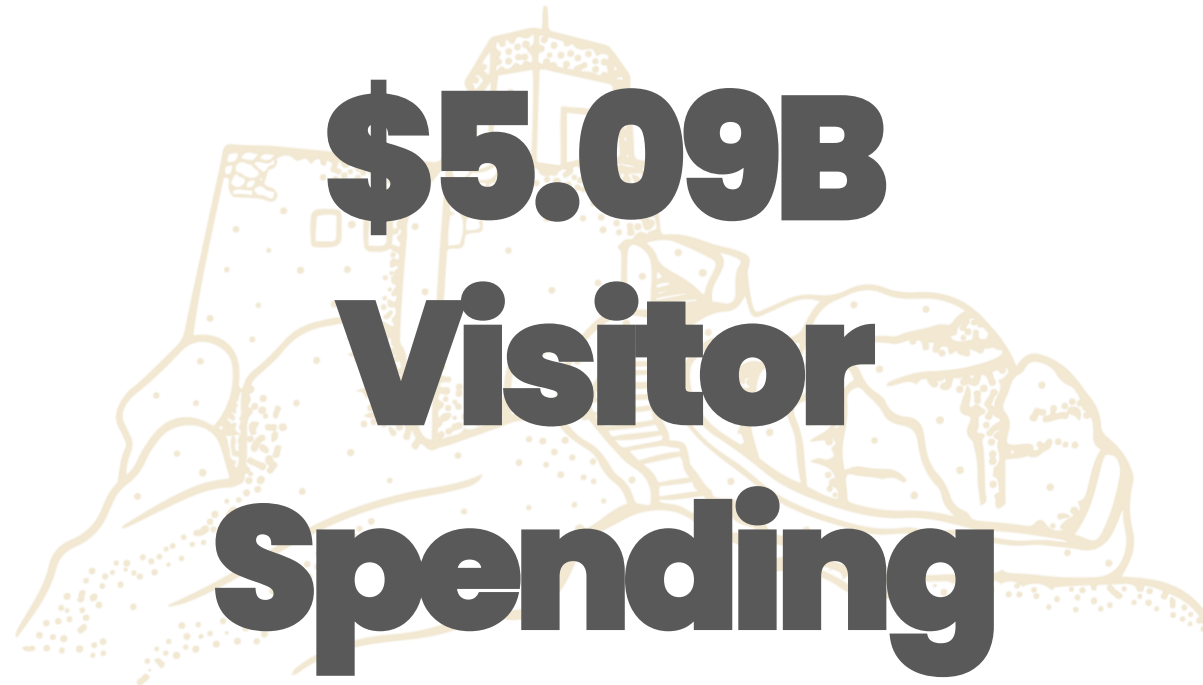


14.9M
Visitors

A 1.4% increase

Source: Tourism Economics

Source: Tourism Economics



\$5.09B
Visitor
Spending

A 2.8% increase

Source: Tourism Economics

2024 ECONOMIC BENEFITS



58,824

Jobs supported by the
Tourism Industry



\$2.2B

Household income generated for
South Dakotans

\$399M

State and local tax revenue
generated

An aerial photograph of a winding asphalt road that snakes through a dense, lush green forest. The road features several sharp turns and curves. Two small cars are visible on the road: a blue car on the left side of the road in the lower-left quadrant, and a white car on the right side of the road in the lower-right quadrant. The text is overlaid in the center of the image.

**EVERY \$1 SPENT
TO MARKET TOURISM GENERATES
\$3 IN TAX REVENUE**

- “So Much South Dakota, So Little Time” was awarded the **Platinum Presidents Award** for the nation’s very best tourism integrated-marketing campaign by the HSMIA. This campaign also won a **Silver and Bronze Adrian award** for print, connected TV and overall brand campaign categories.
- The Corn Kid activation received the **Platinum and Best-of-Show** by the HSMIA which honors the best of the best campaigns in the nation.
- Katlyn Svendsen was named **Top 25 Extraordinary Minds** in destination marketing



2024 INDUSTRY AWARDS



- Travel South Dakota's "Story of a State" Super Bowl TV spot and campaign won a **Gold Magellan Award** in the TV Commercial category for Destination Marketing by Travel Weekly.
- The department also received a **Silver Magellan Award** for its inaugural "So Much South Dakota, So Little Time" winter campaign in the Campaign Advertising/Marketing for Destinations category.
- "Forever 605" was honored with a **Mercury Award** as the nation's best Stewardship campaign in the nation by U.S. Travel Association.
- Travel South Dakota was also awarded a **Gold** and a **Silver W3 Award** for two of its outstanding email marketing campaigns.



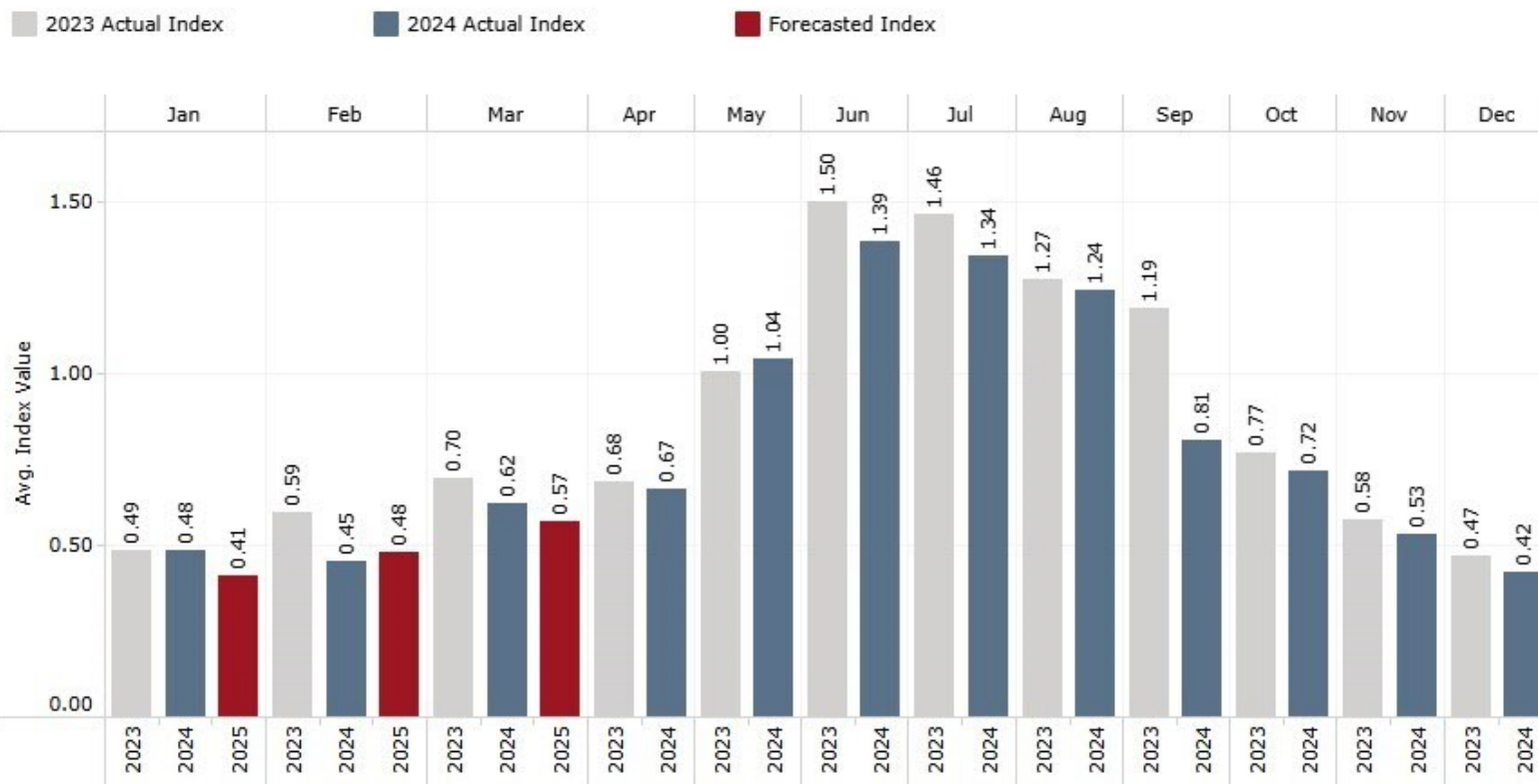
VISITATION FORECAST



FORECAST

Forecasting Summary Refreshed Every Friday

Year-Over-Year Index Performance



VISITATION FORECAST



GOVERNOR'S RECOMMENDED FY26 BUDGET

Ongoing Request

- Increase of \$588,219 in other fund expenditure authority to align budget with projected increase in gaming and promotion tax revenues.
- Increase of \$487,527 in federal fund expenditure authority to align budget with annual award received from the National Endowment for the Arts.

Note: Refer to page 3 in LRC's FY26 Budget Brief Summary Document

REDUCTION OF FEDERAL FUNDS IMPACT

\$35m in Federal Funding (\$8.75m Annually)

CAMPAIGNS	EST. BUDGET
DEPT. PARTNERSHIPS (FISHING/HUNTING)	\$1.5M
DOMESTIC NATIONAL PLACEMENTS	\$26.9
DMO MARKETING ASST. GRANTS	\$5M
NICHE CAMPAIGNS (ARTS/NATIVE AMERICAN/STEWARDSHIP)	\$1.6M

ORGANIZATION & PROGRAM RESTRUCTURE

Team Structure

→ PR & Content Services and Marketing Teams

CHANGES TO FY25 BUDGET APPROPRIATION

One-time Request

- Increase of \$920,558 in other fund expenditure authority to align budget with actual expenditures.
- Increase of \$325,000 in federal fund expenditure authority to align budget with the National Endowment for the Arts award amount.

Note: Refer to page 5 in LRC's FY26 Budget Brief Summary Document

SPECIAL APPROPRIATION

Cultural Heritage Center

→ Increase of \$1,500,000 in other fund expenditure authority to grant funds to the Department of Education for renovating and modernizing exhibits at the Cultural Heritage Center.

LEAN METHODOLOGY

Prioritize Organizational Excellence

- Eliminate waste
- Build quality
- Create knowledge
- Deliver fast
- Respect people
- Improve continuously

STAFF OVERTIME, RECRUITMENT, RETENTION AND ENGAGEMENT

Staffing

- No overtime
- No services contracted due to lack of filled positions
- No struggles with recruitment
- Low turnover

FTE USAGE

FISCAL YEAR	UNUTILIZED FTE
FY24	1.79
FY23	2.23
FY22	2.85
3-YEAR AVERAGE	2.29

QUESTIONS?