



Statewide Tourism Program Funding Request Fact Sheet

The state tourism program has been rebuilt with public and private investment. Now it needs a funding stream to operate so it can improve and maintain statewide economic impact, resiliency and equity.

State General Fund Request

Companion bills **HB 1258** and **SB 5465** will raise the current cap on general funds to \$13 million per fiscal year and adjust the industry matching requirement from 2:1 to 1:1 (industry to state).

Rationale:

1. This amount is **necessary to operate** the rebuilt tourism program statewide and year-round, including:
 - Scale rural and underserved community development and grants
 - Expand statewide tour product
 - Balance visitation flow, broaden destination stewardship
 - Create *responsible travel* marketing campaigns that regenerate the tax base, drive regional resilience
2. An commitment of state general funds for operation will instill confidence in the **program's future** and to generate meaningful **private sector matching investment**
3. Without requested operational funds in 2023, State of Washington Tourism's **operating budget will decline 36%, and an additional 30% in 2024. Programs will be greatly reduced or cut.**

What it takes to operate a statewide, year-round tourism program annually

The average state tourism office operating budget is \$23 million. Most states have increased budgets since the pandemic. Budgets for Washington's competing western states include:

California: \$132 million
Oregon: \$44.5 million
Montana: \$40.1 million
Wyoming: \$26 million
Utah: \$25.5 million

Arizona: \$23.5 million
Colorado: \$22.2 million
Idaho: \$7.7 million
Washington: \$5.9 million
(falls to \$4.1 million in 2024)

Source: National Council of State Tourism Director

The statewide tourism program is good investment for Washington

- ✓ **It's re-built and it's a revenue producer**
 - The program is ready to drive regional economic impact, resiliency and equity
- ✓ **Documented tourism program impact, effective public-private partnership**
 - **Successful destination brand** – statewide stakeholder process, unanimous approval by Legislative Committee on Economic Development and International Relations (LCEDIR)
 - **Consumer advertising campaign** achieved 33:1 ROI, 100 million impressions, Influenced \$52.7 million in out-of-state visitor revenues
 - **International tour sales and development programs** in Europe, Asia and North America generate bookings for state communities and businesses
- ✓ **Bang for the buck**
 - The requested \$13 million in state general funds is just 1% of the \$1.2 billion in state collections from 0.2% of sales tax from rental cars, lodging and restaurants
 - The tourism program will generate new sales tax revenues for Washington
- ✓ **Investment in tourism is regenerative**
 - Revenue from out-of-state visitors = “importing tax payers”
 - Real-time economic impact for communities and insulation in economic downturns
 - Revenue can be used to fund social and other programs
- ✓ **Tourism creates and sustains badly needed jobs**
 - Industry employment was hit harder than any other by pandemic
 - The tourism program will stimulate employment in hospitality, retail, transportation, culture and heritage, tribal, outdoor recreation and other sectors
- ✓ **The tourism industry has invested equivalent amounts to state general funds**
 - Annual cash investment equivalent to general fund cash since 2018 enabling legislation
 - Additional in-kind matches promote shared industry partnership, statewide ROI
- ✓ **Rural and underserved community grants and development are needed**
 - Current funding only allows fulfillment of 20% of applications from rural and underserved communities, tribes, small businesses
- ✓ **Visitation management is needed for volume, seasonality and responsible travel education**
 - Statewide TREAD Map App launched to help balance visitation to public lands and gateway communities
 - Responsible travel public education campaign and travel advisory must be sustained

For more information:

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