

# Budget Brief – Office of Tourism

NUMBER 09-08

## SUMMARY

The Office of Tourism (UOT) exists to improve the quality of life of Utah citizens through revenue and tax relief by increasing the quality and quantity of tourism visits and spending. The Office promotes tourism through advertising and media contacts. The Office operates several programs including marketing and advertising, research and planning, publications, information services, media relations, and interagency cooperation.

The Office also houses the Film Commission which promotes Utah as an attractive and viable location for film production.

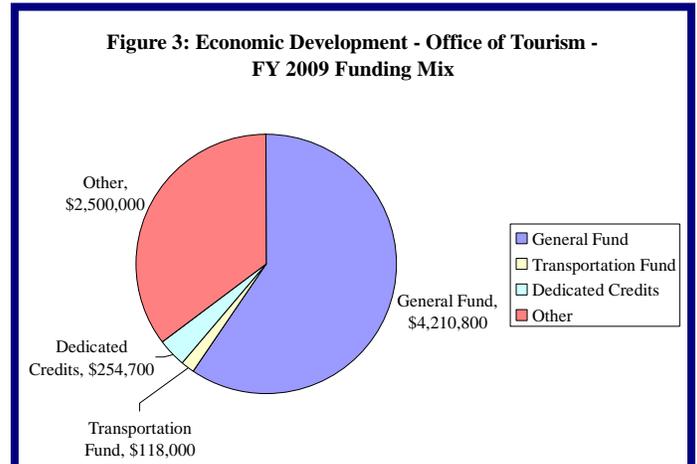
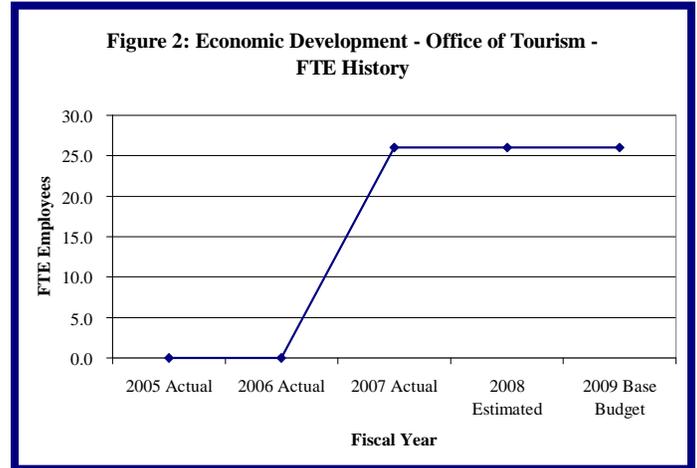
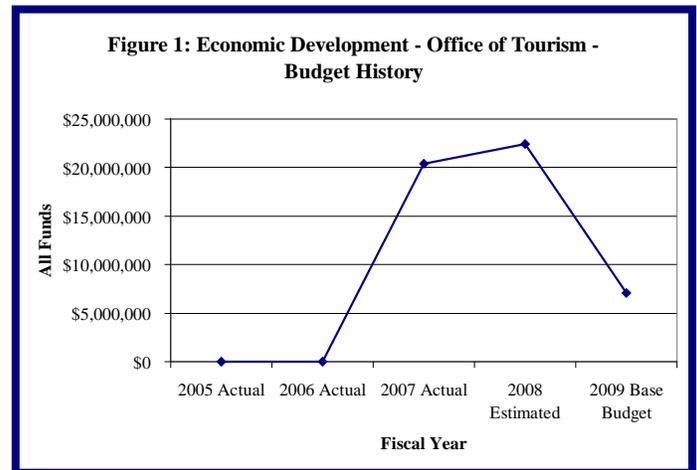
## ISSUES AND RECOMMENDATIONS

### *Tourism Marketing Performance Fund*

Funding for the Tourism Marketing Performance Fund is provided through General Fund appropriations and earmarked sales tax revenue. A portion of the sales tax growth in tourism related industries is set aside for the advertising budget. In the 2007 General Session the Legislature authorized \$6,000,000 in earmarked revenues and \$5,000,000 in General Fund for the Advertising budget. Currently \$9,000,000 in earmarked revenue has been identified for the FY 2009 budget. The source is earmarked sales tax revenue. The Analyst recommends that the committee place funding on a priority list and identify the set aside as the source of funding. The fund has also been accruing interest over the past year and as a result has a balance of \$668,000. The analyst recommends authorizing the fund balance to the program to be spent on the Advertising budget for FY 2009.

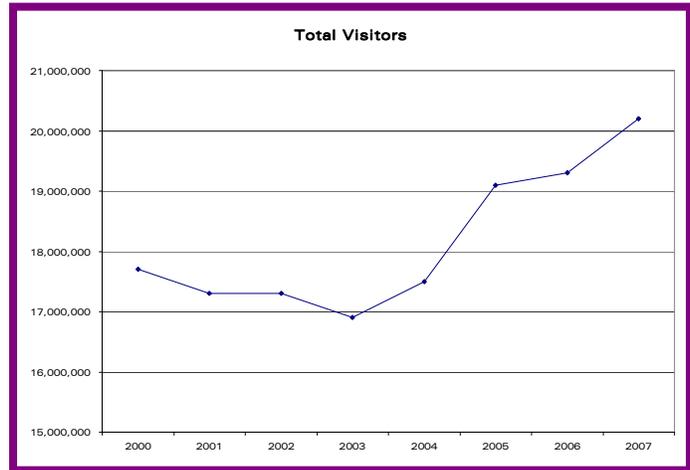
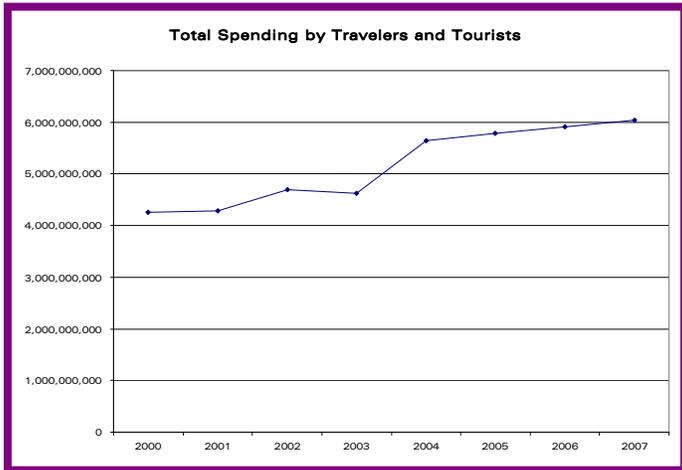
### *Motion Picture Incentive Fund*

The Film Commission received \$4,000,000 in funding the last year to increase film production in the State. Funding is used to target both rural and urban communities. Grants are based on money spent in Utah. The average return on investment for the Motion Picture Incentive Fund is 10 to 1. The fund authorizes a potential 15 percent post-performance rebate up to \$500,000. To be eligible the project must have a budget of at least \$1,000,000. The Motion Picture Incentive Fund base budget for FY 2009 is \$2,500,000. The fund has been accruing interest over the past year and as a result has a balance of \$51,300. The analyst recommends authorizing the fund balance of \$51,300 to the program to be spent on the film incentives in FY 2009.



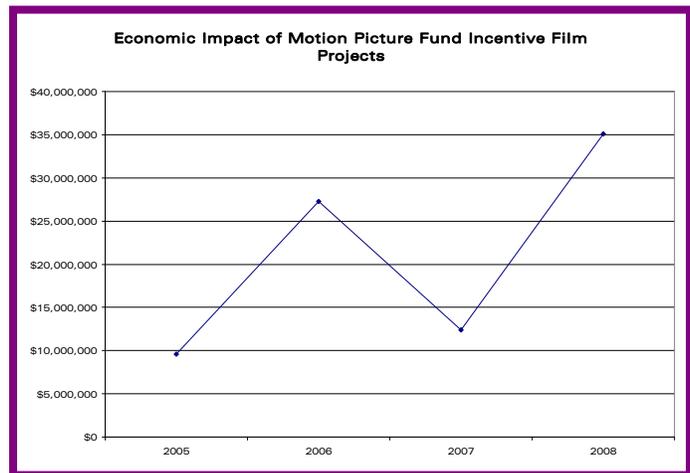
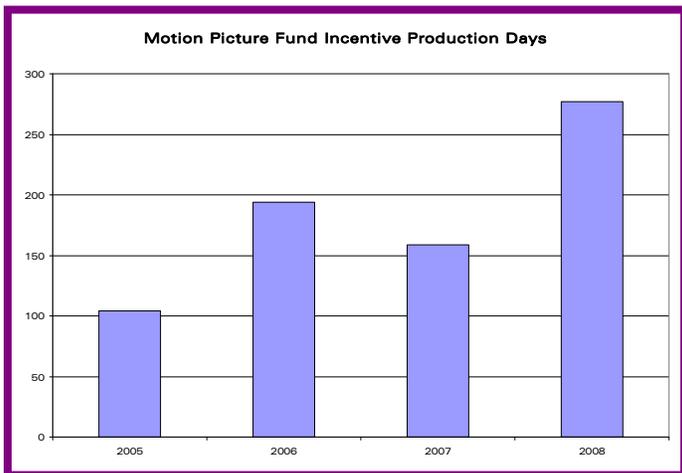
**ACCOUNTABILITY MEASURES**

Currently the metrics being used to provide accountability for the Office of Tourism are: total tourism spending, number of visitors, length of stay, and increase repeat visits. The total spending and total visitor data is provided below.



All of the measures shown are used to indicate the growth in revenue resulting from the growth in tourism revenues. The Office also has baselines established relative to Transient Room Tax revenue, tourism tax code revenues, national park visits, state park visits, hotel occupancy rates, skier days, and skier market share.

The Film Commission measures the production revenue staying in state combined with the total number of film, commercial and television production days as a measure of success. These measures are shown below.



**BUDGET DETAIL**

The General Fund appropriated to the Office of Tourism is used mainly for staff support and some current expense. The majority of the remaining funding however is used for advertising and film incentives.

***Budget Recommendation for FY 2009***

The Analyst recommends a base appropriation of \$7,083,500 for the Office of Tourism with \$4,210,800 from the General Fund.

**BUDGET DETAIL TABLE**

Economic Development - Office of Tourism						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	4,110,200	4,210,800	0	4,210,800	0	4,210,800
General Fund, One-time	(1,800)	0	0	0	0	0
Transportation Fund	118,000	118,000	0	118,000	0	118,000
Dedicated Credits Revenue	111,100	254,700	0	254,700	0	254,700
GFR - Motion Picture Incentive Fund	1,000,000	4,000,000	0	4,000,000	(1,500,000)	2,500,000
GFR - Tourism Marketing Performance	11,000,000	11,000,000	0	11,000,000	(11,000,000)	0
Beginning Nonlapsing	6,933,900	0	2,888,100	2,888,100	(2,888,100)	0
Closing Nonlapsing	(2,888,100)	0	0	0	0	0
<b>Total</b>	<b>\$20,383,300</b>	<b>\$19,583,500</b>	<b>\$2,888,100</b>	<b>\$22,471,600</b>	<b>(\$15,388,100)</b>	<b>\$7,083,500</b>
<b>Programs</b>						
Administration	1,046,500	1,045,100	53,900	1,099,000	(67,500)	1,031,500
Operations and Fulfillment	2,912,500	2,775,400	242,600	3,018,000	(229,800)	2,788,200
Advertising and Promotion	14,348,200	11,000,000	2,459,200	13,459,200	(13,459,200)	0
Film Commission	2,076,100	4,763,000	132,400	4,895,400	(1,631,600)	3,263,800
<b>Total</b>	<b>\$20,383,300</b>	<b>\$19,583,500</b>	<b>\$2,888,100</b>	<b>\$22,471,600</b>	<b>(\$15,388,100)</b>	<b>\$7,083,500</b>
<b>Categories of Expenditure</b>						
Personal Services	1,870,200	2,046,200	(19,100)	2,027,100	3,300	2,030,400
In-State Travel	37,600	42,600	(10,000)	32,600	0	32,600
Out of State Travel	98,100	94,200	(3,100)	91,100	0	91,100
Current Expense	1,905,600	1,960,300	10,099,900	12,060,200	(10,353,700)	1,706,500
DP Current Expense	37,900	86,300	(41,700)	44,600	0	44,600
Capital Outlay	8,300	0	6,400	6,400	0	6,400
Other Charges/Pass Thru	16,425,600	15,353,900	(7,144,300)	8,209,600	(5,037,700)	3,171,900
<b>Total</b>	<b>\$20,383,300</b>	<b>\$19,583,500</b>	<b>\$2,888,100</b>	<b>\$22,471,600</b>	<b>(\$15,388,100)</b>	<b>\$7,083,500</b>
<b>Other Data</b>						
Budgeted FTE	26.0	26.0	0.0	26.0	0.0	26.0
Vehicles	4.0	0.0	4.0	4.0	0.0	4.0

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.