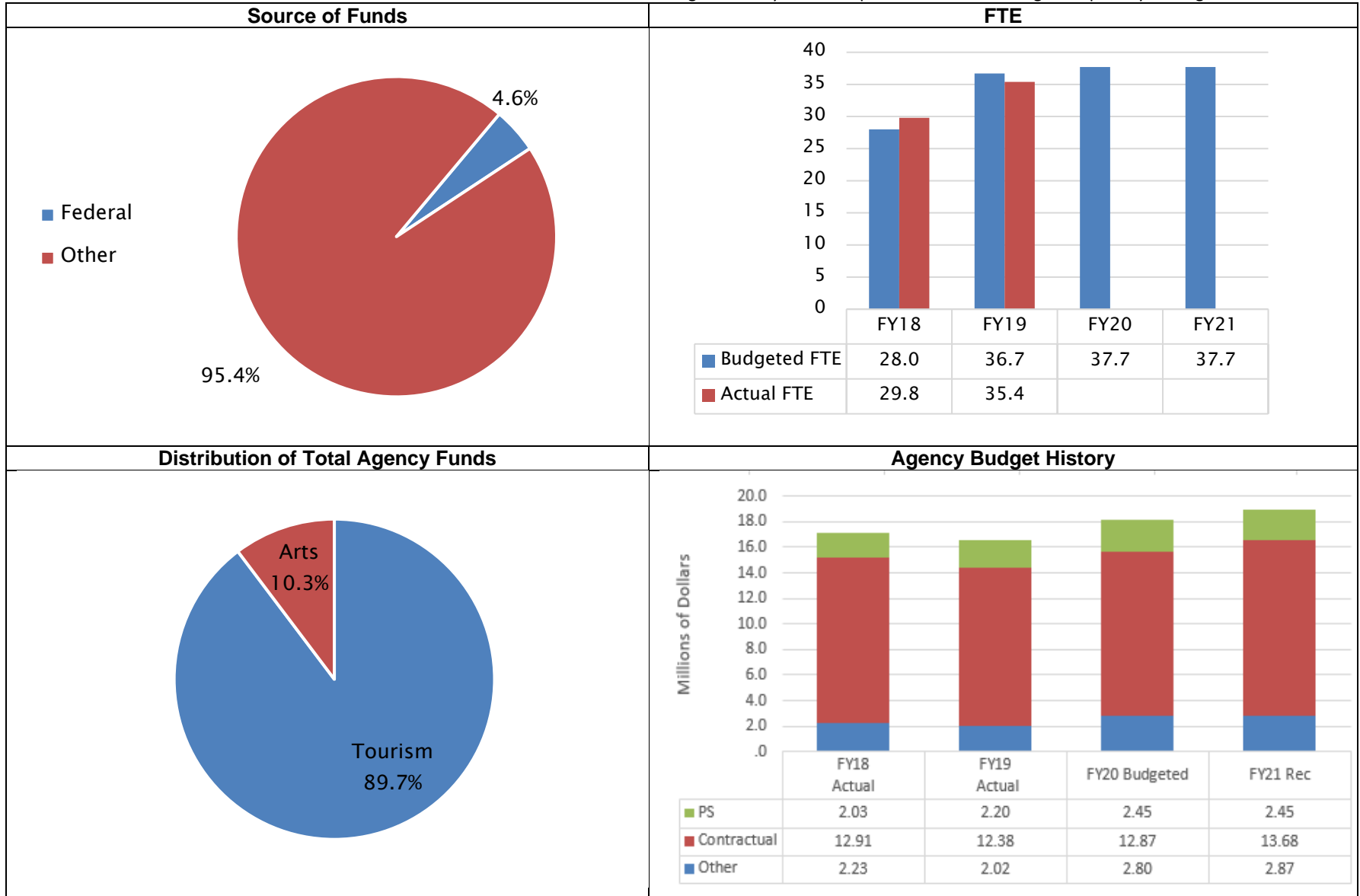


Fiscal Year 2021 Budget Briefing Department of Tourism

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 |
|-----------------------------------|-------------------|-------------------|-------------------|------------------------------|-------------------------------------|---------------------------|
| BY PROGRAM | | | | | | |
| 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 |
| Total | 17,174,940 | 16,592,665 | 18,117,943 | 18,992,062 | 18,992,062 | 874,119 |
| BY FUND CATEGORY | | | | | | |
| 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 |
| Total | 17,174,940 | 16,592,666 | 18,117,943 | 18,992,062 | 18,992,062 | 874,119 |
| BY OBJECT EXPENDITURE | | | | | | |
| Personnel Costs | 2,031,409 | 2,196,216 | 2,445,543 | 2,445,543 | 2,445,543 | 0 |
| 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 |
| Operating Expenditures | 15,143,531 | 14,396,449 | 15,672,400 | 16,546,519 | 16,546,519 | 874,119 |
| 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 |
| Total | 17,174,938 | 16,592,665 | 18,117,943 | 18,992,062 | 18,992,062 | 874,119 |
| Full-Time Equivalent (FTE) | 29.8 | 35.4 | 37.7 | 37.7 | 37.7 | 0.0 |

Major Items Summary - Department of Tourism

| | Agency Request | | | | | Governor's Recommendation | | | | |
|---|----------------|---------|------------|------------|------|---------------------------|---------|------------|------------|------|
| | General | Federal | Other | Total | FTE | General | Federal | Other | Total | FTE |
| FY 2021 Base Budget | 0 | 879,260 | 17,238,683 | 18,117,943 | 37.7 | 0 | 879,260 | 17,238,683 | 18,117,943 | 37.7 |
| Maintenance of Current Operations | | | | | | | | | | |
| Total Maintenance Adjustments | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0.0 |
| FY 2021 Program Maintenance Budget | 0 | 879,260 | 17,238,683 | 18,117,943 | 37.7 | 0 | 879,260 | 17,238,683 | 18,117,943 | 37.7 |
| Program Line Items | | | | | | | | | | |
| 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 |
| Total Program Line Items | 0 | 0 | 874,119 | 874,119 | 0.0 | 0 | 0 | 874,119 | 874,119 | 0.0 |
| FY 2021 Total Budget | 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 |
|--|-------|---------|-----------|------------|------------|
| Prior Year Recap | | | | | |
| FY 2019 Original Budget | 36.7 | 0 | 878,000 | 16,691,839 | 17,569,839 |
| Legislative Adjustments | | | | | |
| Prior Year Supplemental Health Insurance | | | 0 | 2,393 | 2,393 |
| Prior Year Supplemental Health Insurance | | | 0 | 8,784 | 8,784 |
| Total Legislative Adjustments | 0.0 | 0 | 0 | 11,177 | 11,177 |
| Agency Adjustments | | | | | |
| Total Agency Adjustments | 0.0 | 0 | 0 | 0 | 0 |
| FY 2019 Adjusted Budget | 36.7 | 0 | 878,000 | 16,703,016 | 17,581,016 |
| Reversions | | | | | |
| Prior Year Reversions | | | 0 | (93,384) | (93,384) |
| Prior Year Reversions | | | 0 | (733,712) | (894,966) |
| Total Reversions | 0.0 | 0 | (161,254) | (827,096) | (988,350) |
| Unutilized FTE | (1.3) | | | | |
| FY 2019 Percent Reverted | 3.6% | 0 | (18.4%) | (5.0%) | (5.6%) |

| | | FTE | General | Federal | Other | Total |
|--------------------------------------|----|-------------|----------|----------------|-------------------|-------------------|
| Current Year Recap | | | | | | |
| FY 2020 Original Budget | | 37.7 | 0 | 878,000 | 17,108,295 | 17,986,295 |
| Legislative Adjustments | | | | | | |
| 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 |
| Total Legislative Adjustments | | 0.0 | 0 | 1,260 | 130,388 | 131,648 |
| Agency Adjustments | | | | | | |
| Total Agency Adjustments | | 0.0 | 0 | 0 | 0 | 0 |
| FY 2020 Adjusted Budget | | 37.7 | 0 | 879,260 | 17,238,683 | 18,117,943 |

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 tradeshow 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 Tradeshow 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 |
|---|-------------------|-------------------|-------------------|------------------------------|-------------------------------------|---------------------------|
| BY PROGRAM | | | | | | |
| Tourism | 15,436,959 | 15,038,483 | 16,227,872 | 17,038,036 | 17,038,036 | 810,164 |
| Total | 15,436,959 | 15,038,483 | 16,227,872 | 17,038,036 | 17,038,036 | 810,164 |
| BY FUND CATEGORY | | | | | | |
| 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 |
| Total | 15,436,959 | 15,038,483 | 16,227,872 | 17,038,036 | 17,038,036 | 810,164 |
| BY OBJECT EXPENDITURE | | | | | | |
| Personnel Costs | 1,760,078 | 1,924,200 | 2,102,507 | 2,102,507 | 2,102,507 | 0 |
| 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 |
| Operating Expenditures | 13,676,881 | 13,114,283 | 14,125,365 | 14,935,529 | 14,935,529 | 810,164 |
| 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 |
| Total | 15,436,958 | 15,038,484 | 16,227,872 | 17,038,036 | 17,038,036 | 810,164 |
| Full-Time Equivalent (FTE) | 26.8 | 32.4 | 33.7 | 33.7 | 33.7 | 0.0 |
| FUNDING Sources (Agency Recommended) | General | Federal | Other | %General | %Federal | %Other |
| 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 |
| FY 2021 Base Budget | 0 | 0 | 16,227,872 | 16,227,872 | 33.7 | 0 | 0 | 16,227,872 | 16,227,872 | 33.7 |
| Maintenance of Current Operations | | | | | | | | | | |
| Total Maintenance Adjustments | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0.0 |
| FY 2021 Program Maintenance Budget | 0 | 0 | 16,227,872 | 16,227,872 | 33.7 | 0 | 0 | 16,227,872 | 16,227,872 | 33.7 |
| Program Line Items | | | | | | | | | | |
| 1. Marketing and Advertising Expansion | 0 | 0 | 810,164 | 810,164 | 0.0 | 0 | 0 | 810,164 | 810,164 | 0.0 |
| Total Program Line Items | 0 | 0 | 810,164 | 810,164 | 0.0 | 0 | 0 | 810,164 | 810,164 | 0.0 |
| FY 2021 Total Budget | 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 |
|--|-------|---------|---------|------------|------------|
| Prior Year Recap | | | | | |
| FY 2019 Original Budget | 33.7 | 0 | 0 | 15,740,963 | 15,740,963 |
| Legislative Adjustments | | | | | |
| Prior Year Supplemental Health Insurance | | | 0 | 2,137 | 2,137 |
| Prior Year Supplemental Health Insurance | | | 0 | 8,303 | 8,303 |
| Total Legislative Adjustments | 0.0 | 0 | 0 | 10,440 | 10,440 |
| Agency Adjustments | | | | | |
| Total Agency Adjustments | 0.0 | 0 | 0 | 0 | 0 |
| FY 2019 Adjusted Budget | 33.7 | 0 | 0 | 15,751,403 | 15,751,403 |
| Reversions | | | | | |
| Prior Year Reversions | | | 0 | (93,384) | (93,384) |
| Prior Year Reversions | | | 0 | (619,536) | (619,536) |
| Total Reversions | 0.0 | 0 | 0 | (712,920) | (712,920) |
| Unutilized FTE | (1.3) | | | | |
| FY 2019 Percent Reverted | 3.9% | 0 | 0 | (4.5%) | (4.5%) |

| | FTE | General | Federal | Other | Total |
|--|-------------|----------|----------|-------------------|-------------------|
| Current Year Recap | | | | | |
| FY 2020 Original Budget | 33.7 | 0 | 0 | 16,111,498 | 16,111,498 |
| Legislative Adjustments | | | | | |
| 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 |
| Total Legislative Adjustments | 0.0 | 0 | 0 | 116,374 | 116,374 |
| Agency Adjustments | | | | | |
| Total Agency Adjustments | 0.0 | 0 | 0 | 0 | 0 |
| FY 2020 Adjusted Budget | 33.7 | 0 | 0 | 16,227,872 | 16,227,872 |
| FY 2021 Base | | | | | |
| 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 |
| FY 2021 Maintenance of Current Operations | | | | | |
| 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 |
| FY 2021 Total | | | | | |
| 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 |

| | FTE | General | Federal | Other | Total |
|--------------------------------------|------------|----------------|----------------|--------------|--------------|
| 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)

| | Actual FY 2018 | Actual FY 2019 | Estimated FY 2020 | Estimated FY 2021 |
|---------------------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Revenues | | | | |
| 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 |
| Performance Indicators | Actual FY 2018 | Actual FY 2019 | Estimated FY 2020 | Estimated FY 2021 |
| 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 |
|---|-------------------|-------------------|-------------------|------------------------------|-------------------------------------|---------------------------|
| BY PROGRAM | | | | | | |
| Arts | 1,737,981 | 1,554,182 | 1,890,071 | 1,954,026 | 1,954,026 | 63,955 |
| Total | 1,737,981 | 1,554,182 | 1,890,071 | 1,954,026 | 1,954,026 | 63,955 |
| BY FUND CATEGORY | | | | | | |
| 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 |
| Total | 1,737,981 | 1,554,183 | 1,890,071 | 1,954,026 | 1,954,026 | 63,955 |
| BY OBJECT EXPENDITURE | | | | | | |
| Personnel Costs | 271,331 | 272,016 | 343,036 | 343,036 | 343,036 | 0 |
| Salaries | 213,372 | 216,987 | 267,524 | 267,524 | 267,524 | 0 |
| Benefits | 57,959 | 55,029 | 75,512 | 75,512 | 75,512 | 0 |
| Operating Expenditures | 1,466,650 | 1,282,166 | 1,547,035 | 1,610,990 | 1,610,990 | 63,955 |
| 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 |
| Total | 1,737,980 | 1,554,183 | 1,890,071 | 1,954,026 | 1,954,026 | 63,955 |
| Full-Time Equivalent (FTE) | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 0.0 |
| FUNDING Sources (Agency Recommended) | General | Federal | Other | %General | %Federal | %Other |
| 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 |
| FY 2021 Base Budget | 0 | 879,260 | 1,010,811 | 1,890,071 | 4.0 | 0 | 879,260 | 1,010,811 | 1,890,071 | 4.0 |
| Maintenance of Current Operations | | | | | | | | | | |
| Total Maintenance Adjustments | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0.0 |
| FY 2021 Program Maintenance Budget | 0 | 879,260 | 1,010,811 | 1,890,071 | 4.0 | 0 | 879,260 | 1,010,811 | 1,890,071 | 4.0 |
| Program Line Items | | | | | | | | | | |
| 1. Expand Existing Art Programs | 0 | 0 | 63,955 | 63,955 | 0.0 | 0 | 0 | 63,955 | 63,955 | 0.0 |
| Total Program Line Items | 0 | 0 | 63,955 | 63,955 | 0.0 | 0 | 0 | 63,955 | 63,955 | 0.0 |
| FY 2021 Total Budget | 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 |
|--|------|---------|-----------|-----------|-----------|
| Prior Year Recap | | | | | |
| FY 2019 Original Budget | 3.0 | 0 | 878,000 | 950,876 | 1,828,876 |
| Legislative Adjustments | | | | | |
| Prior Year Supplemental Health Insurance | | | 0 | 256 | 256 |
| Prior Year Supplemental Health Insurance | | | 0 | 481 | 481 |
| Total Legislative Adjustments | 0.0 | 0 | 0 | 737 | 737 |
| Agency Adjustments | | | | | |
| Total Agency Adjustments | 0.0 | 0 | 0 | 0 | 0 |
| FY 2019 Adjusted Budget | 3.0 | 0 | 878,000 | 951,613 | 1,829,613 |
| Reversions | | | | | |
| Prior Year Reversions | | | 0 | 0 | 0 |
| Prior Year Reversions | | | 0 | (114,176) | (114,176) |
| Total Reversions | 0.0 | 0 | (161,254) | (114,176) | (275,430) |
| Unutilized FTE | 0.0 | | | | |
| FY 2019 Percent Reverted | 0.0% | 0 | (18.4%) | (12.0%) | (15.1%) |

| Current Year Recap | FTE | General | Federal | Other | Total |
|--|------------|----------------|----------------|------------------|------------------|
| FY 2020 Original Budget | 4.0 | 0 | 878,000 | 996,797 | 1,874,797 |
| Legislative Adjustments | | | | | |
| 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 |
| Total Legislative Adjustments | 0.0 | 0 | 1,260 | 14,014 | 15,274 |
| Agency Adjustments | | | | | |
| Total Agency Adjustments | 0.0 | 0 | 0 | 0 | 0 |
| FY 2020 Adjusted Budget | 4.0 | 0 | 879,260 | 1,010,811 | 1,890,071 |
| FY 2021 Base | FTE | General | Federal | Other | Total |
| 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 |
| FY 2021 Maintenance of Current Operations | FTE | General | Federal | Other | Total |
| 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 |
| FY 2021 Total | FTE | General | Federal | Other | Total |
| 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% |

| |
|---|
| REVENUES AND STATISTICS: ARTS (0441) |
|---|

| Revenues | Actual FY 2018 | Actual FY 2019 | Estimated FY 2020 | Estimated FY 2021 |
|--------------------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Promotion Tax | 903,561 | 930,627 | 1,006,468 | 1,074,766 |
| Performance Indicators | Actual FY 2018 | Actual FY 2019 | Estimated FY 2020 | Estimated FY 2021 |
| 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.

| |
|----------------------------------|
| Historical Budget Changes |
|----------------------------------|

| | General | Federal | Other | Total | FTE |
|--|---------|---------|----------|----------|-----|
| FY 2018 Budget | | | | | |
| Line Items | | | | | |
| * Marketing & Advertising Expansion | 0 | 0 | 817,148 | 817,148 | 0.0 |
| * Expand Existing Art Programs | 0 | 0 | 101,070 | 101,070 | 0.0 |
| FY 2019 Budget | | | | | |
| Maintenance of Current Operations | | | | | |
| * Remove Excess Authority | 0 | 0 | (24,578) | (24,578) | 0.0 |
| Line Items | | | | | |
| * 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 |
| FY 2020 Budget | | | | | |
| Line Items | | | | | |
| * 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 |