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<https://www.exploreminnesota.com/>

**AT A GLANCE**

Explore Minnesota is the state’s official tourism promotion agency. Through advertising, marketing, education, industry and other programs, it supports the thousands of businesses and organizations that make up Minnesota’s tourism economy. The tourism industry in Minnesota generates:

- **Sales:** \$11.7 billion in gross sales in 2020.
- **Jobs:** Nearly 205,000 full- and part-time jobs in 2020, or 9 percent of total private sector employment.<sup>1</sup>
- **Wages:** \$4.9 billion in wages.<sup>1</sup>
- **Revenue:** \$731 million in state sales tax revenue in 2020, or 12 percent of state sales tax revenues.
- **Return on Investment:** Every \$1 in state tourism advertising results in \$18 in state and local taxes and \$180 in spending by travelers.<sup>2</sup>

1: Source: Bureau of Labor Statistics, U.S. Department of Labor, 2020

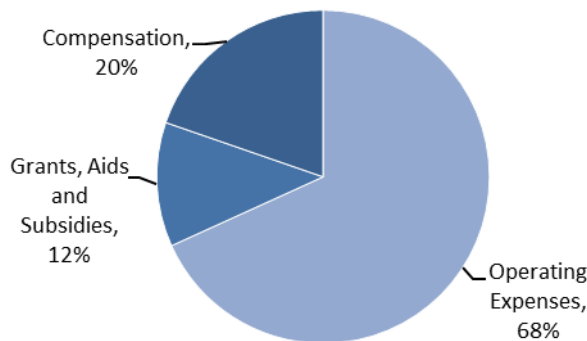
2: Source: January 2020, SMARInsights, Spring Summer 2019 ROI/Economic Impact Research Study ([https://mn.gov/tourism-industry/assets/EMT%202019%20ROI%20report\\_rev%20final\\_tcm1135-438890.pdf](https://mn.gov/tourism-industry/assets/EMT%202019%20ROI%20report_rev%20final_tcm1135-438890.pdf))

**PURPOSE**

The mission of Explore Minnesota Tourism is to inspire consumers and facilitate their travel to and within Minnesota. The agency does this by marketing Minnesota travel products and opportunities to consumers, including communities, lodging, museums, attractions, restaurants, events, and outdoor recreation. Through consumer advertising, public relations, publications, websites, social media, international marketing, and other efforts, Explore Minnesota Tourism reaches millions of potential travelers each year.

**BUDGET**

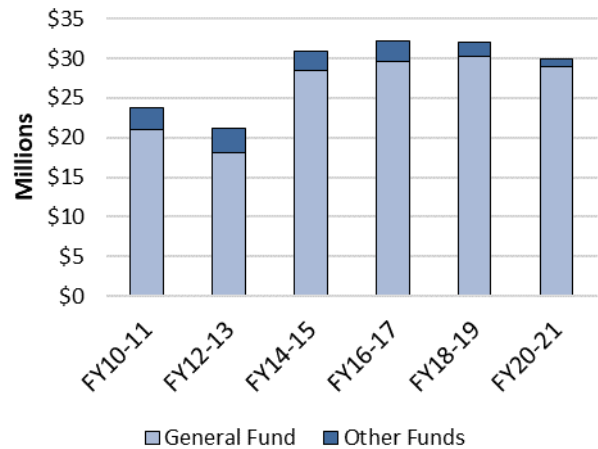
**Spending by Category  
FY 2021 Actual**



Explore Minnesota’s Operating Expenses include advertising, marketing, public relations and other tourism promotion efforts.

Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Historical Spending is inclusive of pass-through appropriations.

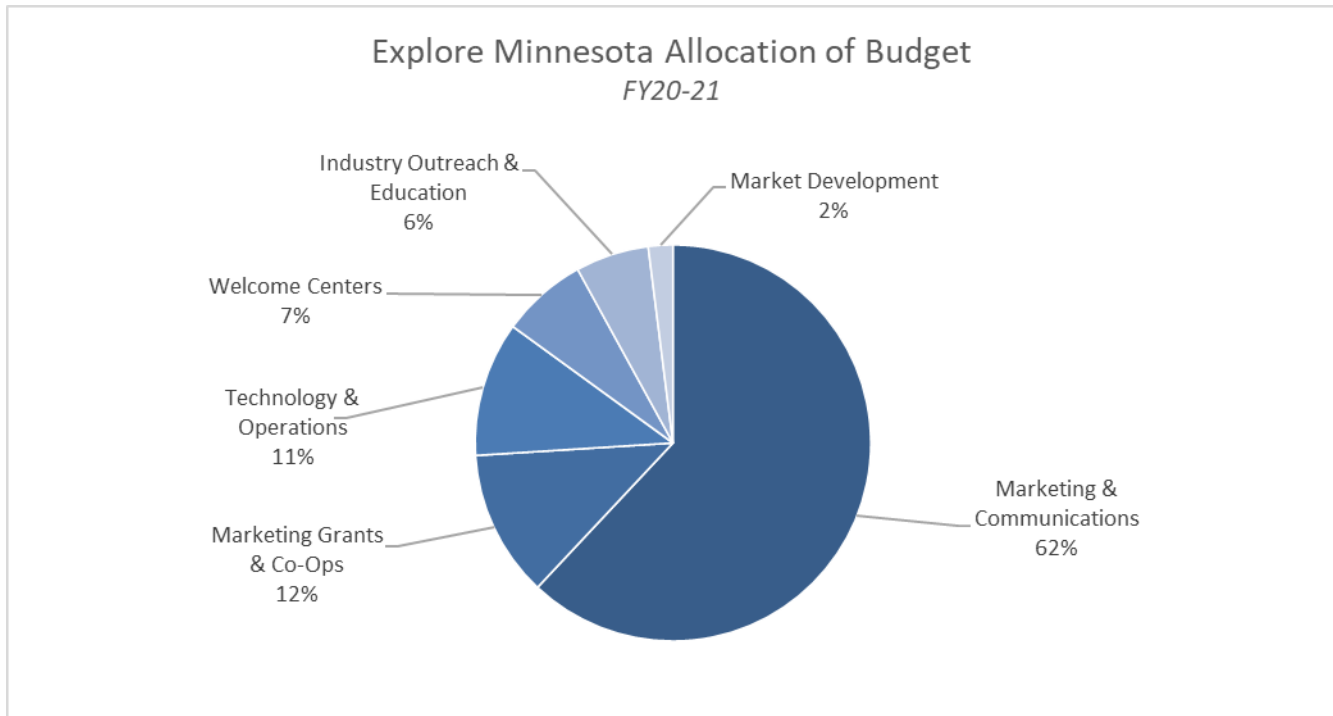
Source: Consolidated Fund Statemen

Explore Minnesota Tourism has a total biennial budget in FY22/23 of \$28.8million in general fund appropriations, and \$1.06 million in revenue through advertising sales and marketing programs. It also partners with public and private organizations to maximize resources and reach more consumers.

## STRATEGIES

### Explore Minnesota Tourism:

- Drives economic vitality by influencing visitation from new and existing domestic and global markets.
- Creates inspirational and differentiating advertising and promotions that market Minnesota as a travel destination, reaching new audiences through highly-targeted marketing tactics.
- Increases consumer reach and engagement through creation of unique content, innovative campaigns and travel information for online, social media and public relations platforms, publications and customer service.
- Engages stakeholders and invests in public/private partnerships to leverage state funding and provide opportunities that support recovery and sustainability for Minnesota’s tourism industry and communities.



*\*Includes \$500,000 in supplemental state funding available when private sector support generated by Explore Minnesota is at least \$3 million.*

During the past biennium, our focus has been brand awareness, consumer engagement and partner collaboration.

**Brand Awareness:** Explore Minnesota was agile and responded to opportunities and changes in the marketplace to elevate Minnesota as a top vacation choice. A specific “Welcome Back” campaign was developed to invite Canadian travelers back to the state after borders were re-opened in late 2021. In spring 2022, we launched a new campaign, Dream State, created in response to the change in travel behaviors due to COVID. Goals are to create deeper emotional connections with travelers and more differentiation between competitors, while continuing to support the recovery of the tourism industry. Creative features our unique product combination of outdoor recreation and urban vibrancy. National campaigns focused on paddling (canoeing, kayaking, paddleboarding), live concerts and events, and golf in summer 2022, hiking and biking in fall 2022, outdoor recreation and performing arts in winter 2022-23, and national parks and culinary travel in summer 2023. These campaigns are targeted to audiences who travel specifically for these activities and result in return-on-investment that’s two to three times that of the general marketing.

Ongoing work for FY23 will include coverage of additional destinations and travel opportunities. Stronger integration of diversity and accessibility will communicate a welcoming travel experience for all visitors.

Measures of our effectiveness are the overall indicators of Minnesota’s visitor economy: visitor volume, leisure and hospitality gross sales, taxes and jobs.

**Consumer Engagement:** Consumers look to Explore Minnesota as the expert for travel information. We distribute over 300,000 publications annually and in FY22 grew our newsletter subscriber base by over 45,000 (+15%).

A variety of partnership marketing initiatives were developed that used mobile passports to drive web traffic, lead generation, and incentivize people to travel and check out businesses throughout the state. Seasonal sweepstakes around a variety of activities such as hiking, downhill skiing, and professional sports encouraged web traffic and generated leads for ongoing communication.

Marketing and inspiring communications drove over 6.8 million visits (+19%) to ExploreMinnesota.com and over 12 million pageviews in FY22. Over 5 million pageviews took visitors to website listings for Minnesota destinations and tourism businesses. New content promoted safe travel in times of uncertainty, regional “Dream State” vacation ideas and Trip on a Tankful itineraries for value- and sustainability-oriented travelers. EMT has continued to increase its collaborations with a variety of diverse writers and social content creators (BIPOC and people with disabilities) to represent authentic travel perspectives. Seasonal content highlighted outdoor recreation, key events and attractions that provide ongoing entertainment. A large-scale activation was developed for St. Louis and Chicago markets. A walk-through experience promoted Minnesota as a Dream State, using video, ambience and social photo opportunities, a sweepstakes and on-site brand ambassadors to engage crowds at the St. Louis Pridefest and Chicago July 4<sup>th</sup> weekend festivities.

Throughout the year, our social strategies led to increased followers on every platform for total social audience of over 578,000, nearly 71 million impressions and nearly 20.5 million engagements (shares, comments, likes, etc.).

Main measures include website analytics, newsletter subscribers, publication requests, social followers and engagements, return on advertising spend.

**Partner Collaboration:** In 2021-2022 created two grant programs specifically for non-profit destination marketing organizations across the state. One program was funded by a \$750K appropriation for the purpose of expediting tourism recovery for Minnesota communities, the other was a \$1 million program funded through base budget to support marketing-related initiatives. Grants were given to over 150 organizations and communities and required no cash match. Future industry grant programs are at risk without expansion of budget.

A cooperative marketing program was created, funded at \$500K from base budget for the purpose of providing lower cost marketing tactics and opportunities to tourism communities and businesses throughout the state. The program involved 26 vendors, yielded 155 industry participants and resulted in \$540K in cash contributions from the industry and \$1.4 million in added value from the vendors.

A co-op program specifically for the advancement of sports-related business and sports marketing was created in FY2021 utilizing two specific sports technology matchmaking systems. These platforms aim at connecting Minnesota communities and venues with sports events right holders and planners. From the base budget \$40K was dedicated; over 20 communities participated and contributed equal funds. These platforms generated hundreds of leads for communities around the state and helped to create a sense of place for Minnesota in the business of sports, a high growth and highly competitive marketplace. This program was discontinued in FY2023 due to budget limitations, but with future funding could be enhanced and expanded to include no-cost representation for all Minnesota communities and create new business opportunities from a growing market segment.

Explore Minnesota operates six travel information/welcome centers in partnership with MNDOT and maintains programmatic relationships with an additional 50 partner and affiliate centers around the state. The welcome

center program also includes brochure distribution programs at Mall of America and MSP International Airport and distributes travel information to consumers on behalf of over 400 tourism communities and businesses.

In November 2021, a new director was appointed and our efforts shifted from recovery as a sole focus to recovery and growth. There were several priorities that were critical to address: the public/national perception of Minnesota as a safe and welcoming place; diversity, equity, inclusion and accessibility; Explore Minnesota's role as a leader for the state's tourism industry; and labor issues in the tourism workforce.

While many projects remain underway, we saw growth in several of these areas, even with a limited budget.

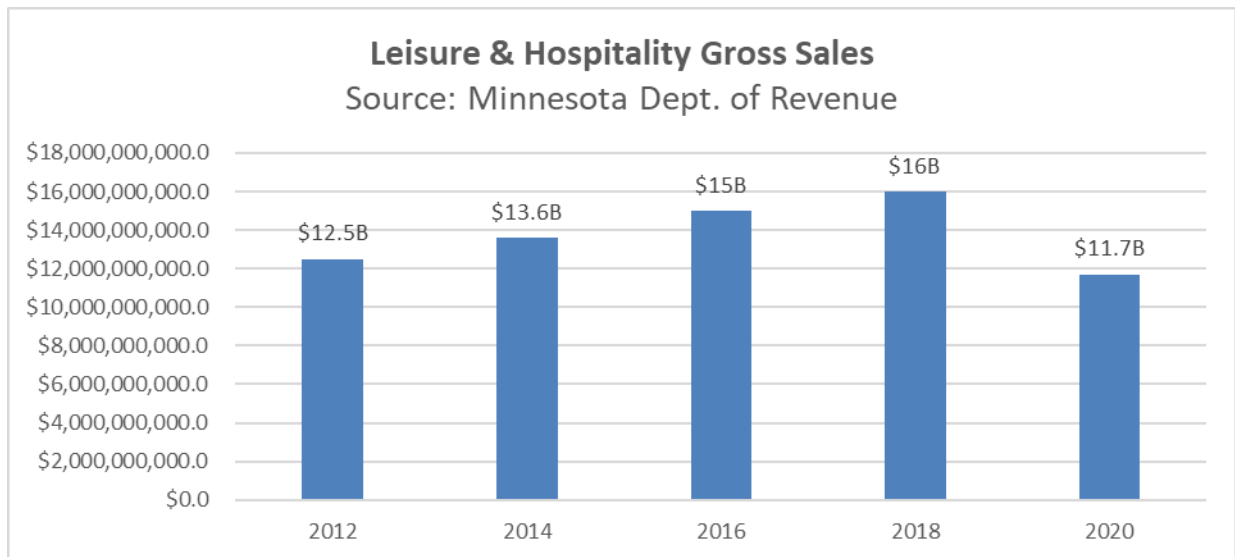
**Perception of MN:** Explore Minnesota continues to support the work of St. Paul, Minneapolis, and Bloomington as they lead the metro in travel. Meet Minneapolis is currently developing several new marketing initiatives to show how Minneapolis is a safe and welcoming location. Our team continues to work with them on messaging to ensure we can help promote those values. We have featured Minneapolis in several ads over the past few years to show the various welcoming aspects of the city.

**Diversity, Equity, Inclusion and Accessibility:** One of our largest areas of growth. We partnered with Twin Cities PRIDE in 2022 with our largest partnership to date. We also supported DEED's booth at PRIDE fest and promoted the event at international travel trade shows. We worked with multiple content creators in this space as well, including a couple who visited MN during the festival and then traveled to other cities in MN. We also worked with a content creator, Curb Free with Cory Lee, who traveled to several destinations in the state highlighting wheelchair accessible accommodations. As we continue to develop our programming in this area, we will put more emphasis on community-based conversations and ideas. We started working Native Nations in MN to discuss their needs and desires around tourism. By the end of 2022, we hope to have visited with all 11 Nations in MN to listen to how they currently aim to attract visitors and if there are needs they have of our office to support visitor attraction.

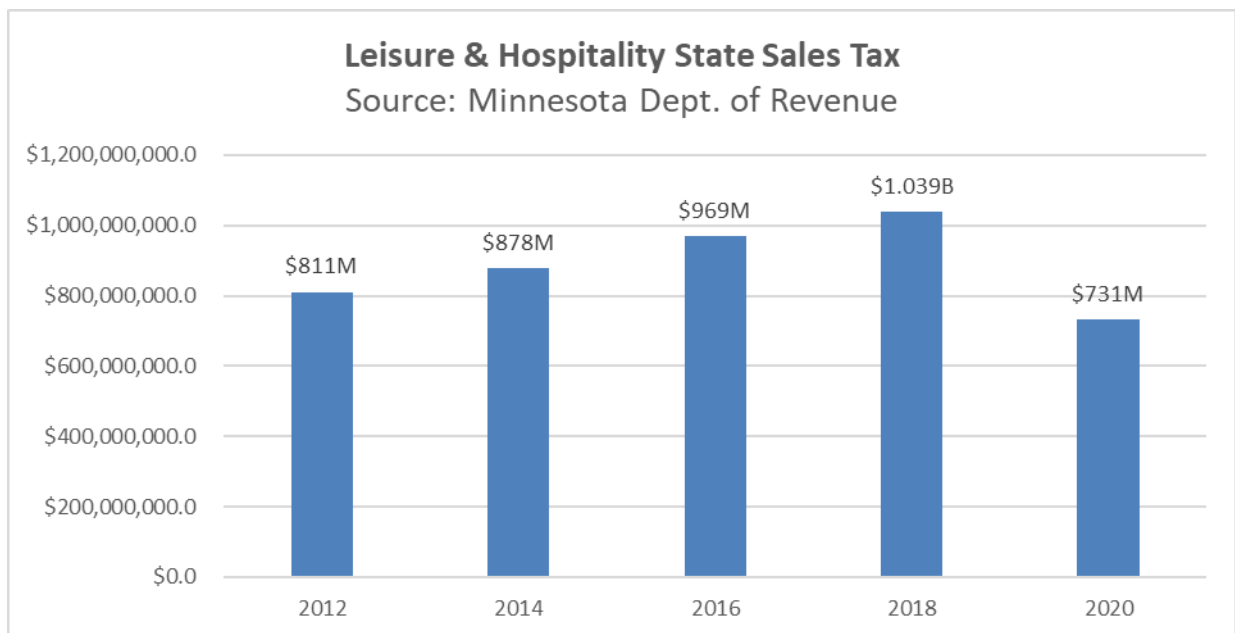
**EMT as an Industry Leader:** Explore Minnesota provides accessible, on-demand learning opportunities through recorded webinars, and also produces a statewide annual Tourism Conference specifically designed for Minnesota's tourism industry. Topics include marketing, PR, social media, accessibility, diversity and inclusion, customer service, new technologies, destination development and industry best practices. Recordings are freely accessed on our tourism industry website, along with information on our programs and areas of work, industry opportunities, resources and research.

We continue to share best practices and standards with Minnesota's tourism industry in areas of website accessibility, new and emerging technologies for tourism and consumer trends. Workforce in the tourism industry, which is primarily leisure and hospitality, continues to be one of the largest issues impacting a slow recovery. Explore Minnesota works closely with DEED to develop new ideas around how to find and retain new workers in the space. We also work with the University of Minnesota Tourism Center, Hospitality Minnesota and the State Legislature to develop programming and funding for hospitality workforce programs. However, the most recent proposal for the development of the hospitality training program was not advanced at the Capitol in 2022. Continuing in 2022 and 2023, EMT will explore the development of a program aimed at marketing careers in tourism and hospitality. Though funding is not currently available in the existing budget, it will be included in the upcoming budget proposal.

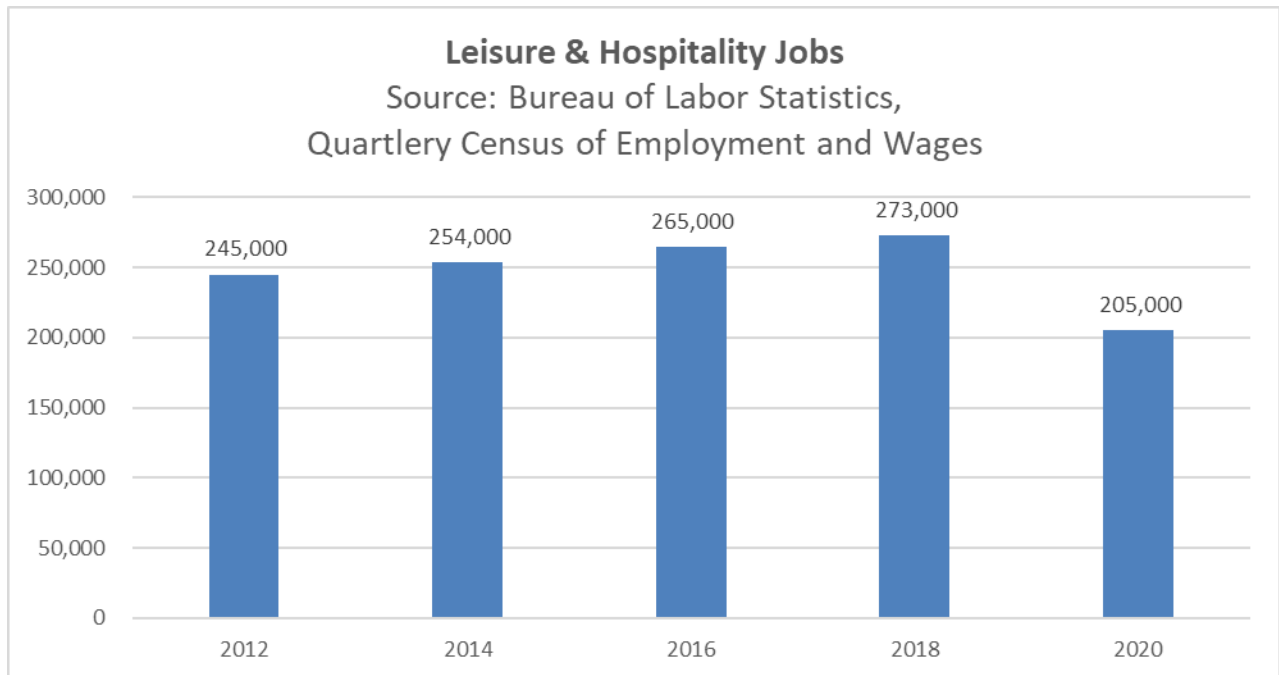
## RESULTS



Minnesota's leisure and hospitality industry is a major provider of tourism services. The increase of gross sales in this sector illustrates the effect of successfully advertising to inspire travel to and throughout Minnesota. However, in 2020 a clear and steep decline due to the lack of travel is evident. Despite some indicators, we still see a loss of more than \$16B since the start of the pandemic.



Minnesota's leisure and hospitality industry is crucial to the state's economic vitality, accounting for 18% of total state sales tax revenue. This chart demonstrates how negatively the pandemic impacted tourism. Additionally, EMT spent less on marketing and more on recovery grants and other industry relations activities in 2020 to support a more even recovery.



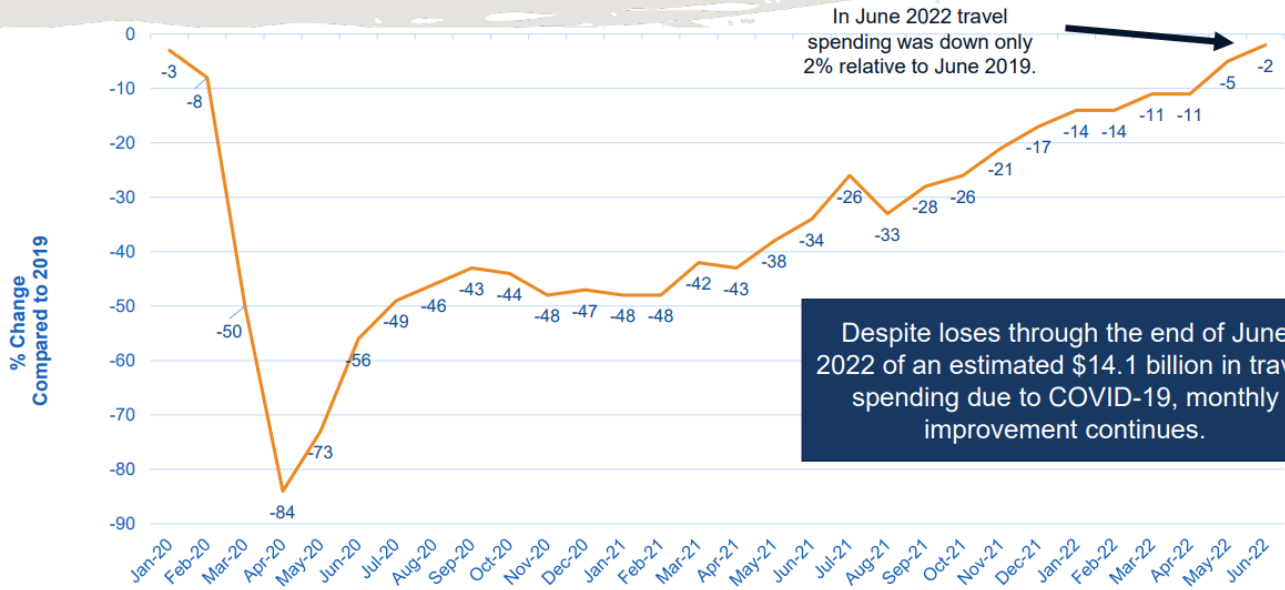
**Minnesota’s 273,000 leisure and hospitality jobs accounted for 11% of the state’s total private sector employment in 2018. Though 2020 saw a sharp decline, we still continue to see slow growth for jobs in this industry. Leisure & hospitality continues to have one of the largest workforce shortages in the state.**

Explore Minnesota Tourism’s advertising campaigns generate millions of Minnesota trips that would not otherwise take place. The spring/summer 2019 campaign generated 2.36 million incremental person-trips. The impact of this travel included \$708.6 million in travel spending in Minnesota and \$69.4 million in state and local taxes. Every dollar Explore Minnesota invested in the campaign resulted in \$180 in travel spending and \$18 in state and local taxes; the return on investment for Explore Minnesota’s spring/summer 2019 campaign was 180:1 for travel spending and 18:1 for state and local taxes. Source: Strategic Marketing and Research Insights, January 2020

The below graphics show an increase in travel over time. Our monthly [Travel Indicators Report](https://mn.gov/tourism-industry/assets/EMT%20July%202022%20Travel%20Indicators%20-%20Final_tcm1135-538578.pdf) ([https://mn.gov/tourism-industry/assets/EMT%20July%202022%20Travel%20Indicators%20-%20Final\\_tcm1135-538578.pdf](https://mn.gov/tourism-industry/assets/EMT%20July%202022%20Travel%20Indicators%20-%20Final_tcm1135-538578.pdf)) includes information for the tourism industry regarding short-term rentals, hotel occupancy and travel spending. All recent indications do show a slight positive progress toward recovery.

The charts demonstrate a result—an increase in visitation to Minnesota based on an increase in campaign spending.

**Minnesota Travel Spending Trend – Spending % Change Compared to 2019**  
**January 2020 - June 2022**



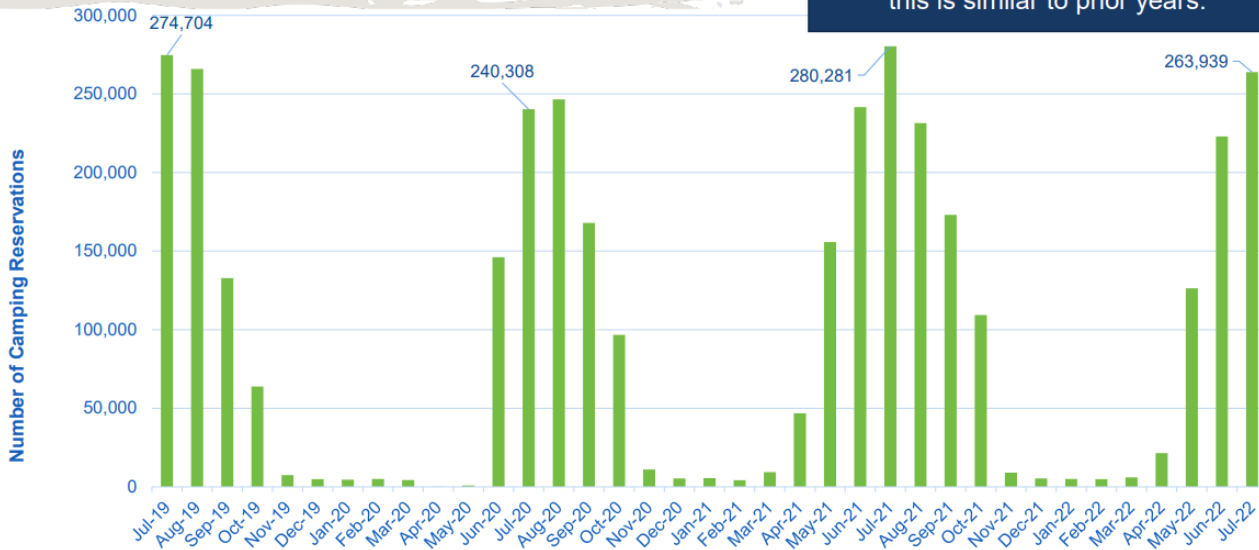
In June 2022 travel spending was down only 2% relative to June 2019.

Despite losses through the end of June 2022 of an estimated \$14.1 billion in travel spending due to COVID-19, monthly improvement continues.



Source: Tourism Economics; July 2022 spending loss information will be included in the August 2022 Travel Indicators Report

**Minnesota State Parks Overnight Camping Trend**  
**July 2019 - July 2022 with July data highlighted**



In July 2022 there were approximately 264k overnight camping reservations, this is similar to prior years.



Source: Minnesota Dept. of Natural Resources

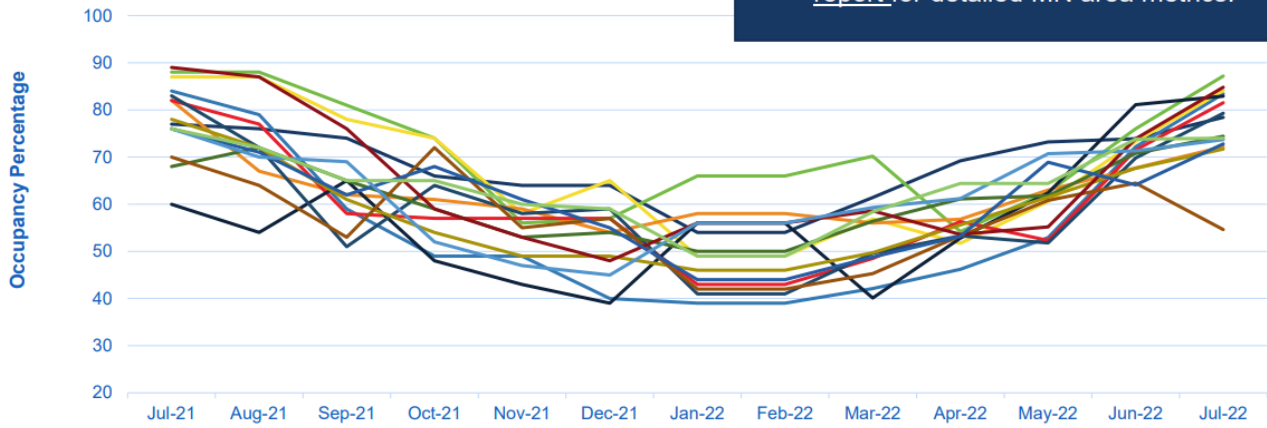


**Minnesota Areas Short-Term Rental Occupancy Percentage  
July 2021 - July 2022**

- Bloomington
- Duluth
- Mankato
- Minneapolis North Area
- Minnesota South
- Brainerd and Baxter
- Fargo and Moorhead
- Milles Lacs Lake
- Minneapolis South Area
- Rochester
- Cook County
- I 94 Corridor
- Minneapolis
- Minnesota North
- St Paul

In July 2022 short-term rental occupancy percentage was 87.2% (Cook County) to 54.6% (Minneapolis South Area) across the Minnesota regions.

Go to the [monthly AirDNA lodging performance report](#) for detailed MN area metrics.



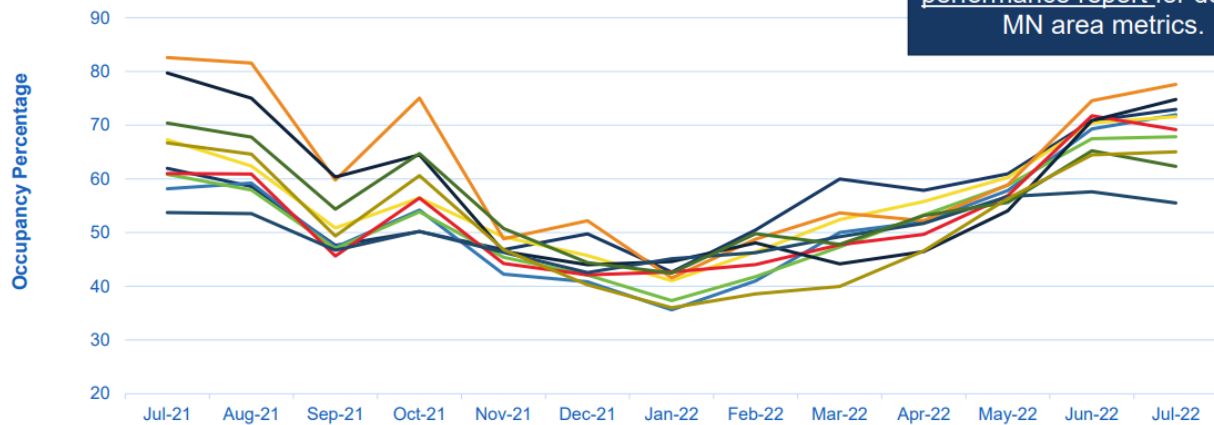
Source: AirDNA; Minneapolis is defined as downtown Minneapolis and not the greater Minneapolis/St. Paul metro area and Data is for "entire place" rentals which includes rentals of all sizes from studios to 4 bedroom plus

**Minnesota Areas Hotel Occupancy Percentage  
July 2021 - July 2022**

- Bloomington, MN
- Minneapolis South Area, MN
- Minnesota North Area
- Minnesota South Area
- St Paul, MN
- Duluth, MN
- Rochester, MN
- Minneapolis North Area, MN
- St Cloud/I-94 Corridor, MN
- Mankato, MN

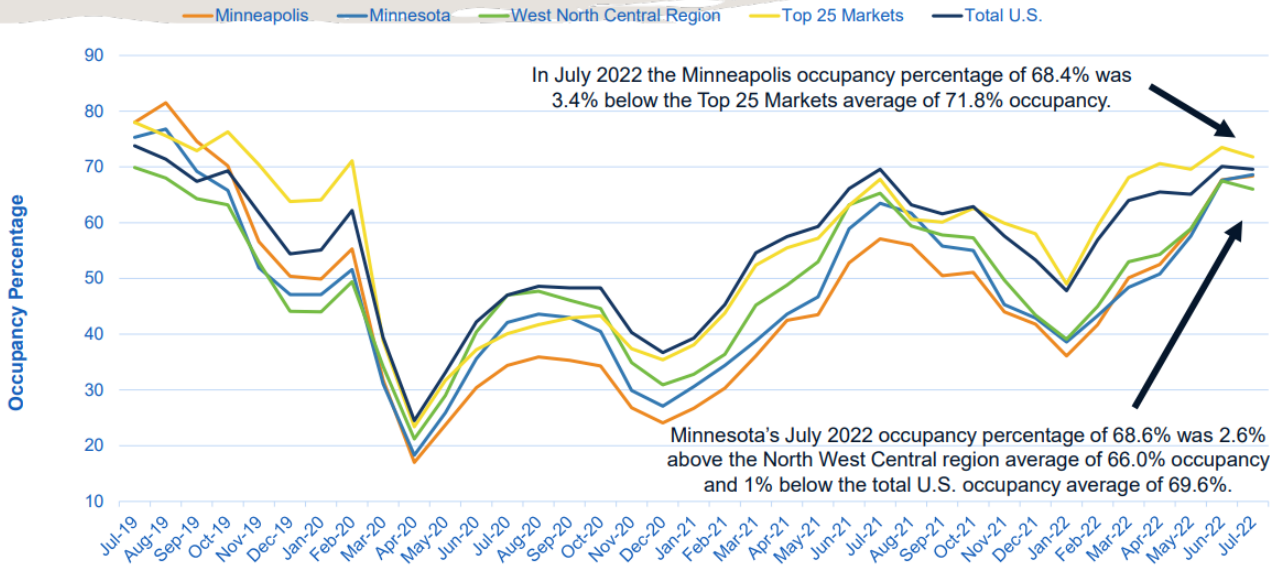
In July 2022 hotel occupancy percentage was 55.5% (Rochester) to 77.6% (Duluth) across the Minnesota regions.

Go to the [monthly STR lodging performance report](#) for detailed MN area metrics.



Source: Smith Travel Research (STR); In the MN Areas Report Minneapolis is defined as downtown Minneapolis and not the greater Minneapolis/St. Paul metro area

**Minnesota & Minneapolis/St. Paul Metro Area Hotel Occupancy Percentage  
July 2019 - July 2022**



Source: Smith Travel Research (STR); In the Top Markets report Minneapolis is defined as the greater Minneapolis/St. Paul metro area and the North West Central region is defined as North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas and Missouri

**Content creators**

Content creators also continue to be a great way to see positive results and support our efforts to increase our audiences and welcome a more diverse traveler to Minnesota.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous Value</i>	<i>Date</i>	<i>Current Value</i>	<i>Date</i>
Quantity	Amount paid	\$21,300	FY22	\$31,710	FY23
Quality	Number of content creators hired	8	FY22	6	FY23
Results	<p>We recalibrated our content creator program between FY22 and FY23. Toward the end of FY22, we started focusing more on the variety of content we received from creators. While previously, it would have only been an article for our travel guide, or just social media posts, we now focus more on the whole experience. We work with content creators to travel the state and highlight specific areas or destination to support the strategic plan. For example, in FY22, we worked with the Wonderful Wives to promote the LGBTQIA+ community in MN. For \$11,700 they traveled to MN to participate in the 50<sup>th</sup> Anniversary of Twin Cities Pride, but also traveled to Winona to hike and visit some of the local attractions. This resulted in a story reach of 99,204, 90,342 impressions, and 13,443 active engagements (plays, comments, likes, shares, saves) on Instagram. Not only did we spend more money, but we received far more intangible assets that we could not have generated on our own. Showing real people from the LGBTQIA+ community helps potential travelers discover themselves in MN and feel welcome.</p>	\$1,000 for one story	Beginning of FY22	\$11,700 for 1 travel article, 3 Instagram reels, 3 Instagram posts, 8 Instagram story slides tagging partners, photography rights, promotion of the 2023 travel guide, analytics from the trip. Specific focus on new strategic plan initiatives.	End of FY22

MS 116U.30 (<https://www.revisor.mn.gov/statutes/?id=116U>) provides the legal authority for Explore Minnesota Tourism.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<b><u>Expenditures by Fund</u></b>								
1000 - General	10,674	18,375	14,072	15,869	14,523	14,523	36,307	21,169
2000 - Restrict Misc Special Revenue	657	151	91	509	350	592	350	592
3000 - Federal			3,482	583				
<b>Total</b>	<b>11,331</b>	<b>18,526</b>	<b>17,645</b>	<b>16,961</b>	<b>14,873</b>	<b>15,115</b>	<b>36,657</b>	<b>21,761</b>
Biennial Change				4,749		(4,618)		23,812
Biennial % Change				16		(13)		69
Governor's Change from Base								28,430
Governor's % Change from Base								95

<b><u>Expenditures by Program</u></b>								
Explore Minnesota Tourism	11,331	18,526	17,645	16,961	14,873	15,115	36,657	21,761
<b>Total</b>	<b>11,331</b>	<b>18,526</b>	<b>17,645</b>	<b>16,961</b>	<b>14,873</b>	<b>15,115</b>	<b>36,657</b>	<b>21,761</b>

<b><u>Expenditures by Category</u></b>								
Compensation	3,957	3,633	3,316	4,466	4,599	4,758	8,983	5,504
Operating Expenses	6,802	12,571	12,246	11,869	9,648	9,731	21,148	9,731
Grants, Aids and Subsidies	572	2,322	2,073	625	625	625	6,525	6,525
Capital Outlay-Real Property			6					
Other Financial Transaction	0	0	4	1	1	1	1	1
<b>Total</b>	<b>11,331</b>	<b>18,526</b>	<b>17,645</b>	<b>16,961</b>	<b>14,873</b>	<b>15,115</b>	<b>36,657</b>	<b>21,761</b>

<b><u>Full-Time Equivalent</u></b>	<b>44.61</b>	<b>37.60</b>	<b>33.79</b>	<b>37.79</b>	<b>37.57</b>	<b>37.57</b>	<b>40.57</b>	<b>40.57</b>
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# Explore Minnesota Tourism

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<b>1000 - General</b>								
Balance Forward In	326	4,157		1,346				
Direct Appropriation	14,404	14,344	15,434	14,523	14,523	14,523	36,307	21,169
Cancellations		127	15					
Balance Forward Out	4,055		1,347					
<b>Expenditures</b>	<b>10,674</b>	<b>18,375</b>	<b>14,072</b>	<b>15,869</b>	<b>14,523</b>	<b>14,523</b>	<b>36,307</b>	<b>21,169</b>
Biennial Change in Expenditures				892		(895)		27,535
Biennial % Change in Expenditures				3		(3)		92
Governor's Change from Base								28,430
Governor's % Change from Base								98
Full-Time Equivalents	44.61	37.60	33.57	37.57	37.57	37.57	40.57	40.57

## 2000 - Restrict Misc Special Revenue

Balance Forward In	979	873	884	969	685	600	685	600
Receipts	551	162	176	225	265	285	265	285
Balance Forward Out	873	884	969	685	600	293	600	293
<b>Expenditures</b>	<b>657</b>	<b>151</b>	<b>91</b>	<b>509</b>	<b>350</b>	<b>592</b>	<b>350</b>	<b>592</b>
Biennial Change in Expenditures				(208)		342		342
Biennial % Change in Expenditures				(26)		57		57
Governor's Change from Base								0
Governor's % Change from Base								0

## 3000 - Federal

Receipts			3,482	583				
<b>Expenditures</b>			<b>3,482</b>	<b>583</b>				
Biennial Change in Expenditures				4,065		(4,065)		(4,065)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.22	0.22				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2023 Appropriations	14,523	14,523	14,523	29,046
Forecast Base	14,523	14,523	14,523	29,046
<b>Change Items</b>				
Maintain Current Service Levels		3,884	746	4,630
Making Minnesota a Top-10 Destination		5,900	5,900	11,800
Development of Office of Economic Promotion		12,000		12,000
<b>Total Governor's Recommendations</b>	<b>14,523</b>	<b>36,307</b>	<b>21,169</b>	<b>57,476</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Planned Spending	509	350	592	942
Forecast Base	509	350	592	942
<b>Total Governor's Recommendations</b>	<b>509</b>	<b>350</b>	<b>592</b>	<b>942</b>
<b>Fund: 3000 - Federal</b>				
Planned Spending	583			
Forecast Base	583			
<b>Total Governor's Recommendations</b>	<b>583</b>			
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
Forecast Revenues	225	265	285	550
<b>Total Governor's Recommendations</b>	<b>225</b>	<b>265</b>	<b>285</b>	<b>550</b>
<b>Fund: 3000 - Federal</b>				
Forecast Revenues	583			
<b>Total Governor's Recommendations</b>	<b>583</b>			

# Explore Minnesota Tourism

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	3,884	746	746	746
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,884	746	746	746
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends additional funding of \$3,884,000 in FY 2024 and \$746,000 in subsequent years from the general fund to maintain the current level of service delivery at Explore Minnesota Tourism.

### Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For Explore Minnesota Tourism the following efficiencies have been implemented to help offset rising operating costs:

- Reviewing and scaling back or eliminating programs with low industry engagement/support.
- Shifting staff schedules and resources at statewide welcome centers so all are operating on the same days and times.
- Reviewing positions that are currently vacant due to retirements and repurposing them to better fill the future needs of the agency.
- Working with contractors to create content, increasing the number of diverse voices and decreasing the cost of in-house positions needed.
- Training staff to support other positions as needed, eliminating the need to hire additional staff to provide back up.
- Adding new free or inexpensive software solutions to support improved organization, information sharing and communication.
- Reviewing all national memberships to ensure they are cost-productive and enable the agency to maximize national and international impact.
- Working closely with regional and national marketing collaboratives such as Great Lakes USA and Mississippi River Country to market Minnesota as part of a collective voice.
- Reviewing staff skillsets and determining ways to coach and train to take on projects or programs that need support.
- Developing a new Strategic Plan to better focus efforts on critical needs of the industry and economic growth opportunities for the state.

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For Explore Minnesota Tourism, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services Explore Minnesota Tourism delivers to Minnesotan and visitors to Minnesota will be impacted. Some examples of potential impacts include:

- A slower recovery to tourism from the effects of the pandemic.
- Losing ground in competitiveness to neighboring states.
- Less promotion of Minnesota’s sites, attraction, people, and businesses.

**Proposal:**

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For Explore Minnesota Tourism, this funding will cover:

- Advertising, marketing, promotions and public relations including new and diverse audiences
- Filling of vacant positions
- Support for additional training and professional development of staff
- Ongoing technology cost increases
- Increased costs of professional goods and services for advertising, public relations and website agencies
- Increased rent costs
- Increase in compensation and costs of benefits
- Market development and international market recovery and growth
- Website maintenance and enhancement
- Customer service, distribution, welcome centers (supporting six (6) state-operated centers, six (6) partner centers and 44 affiliate centers within communities) across the state
- Enhanced outreach and educational opportunities available to the industry
- Private industry cooperation and partnerships through:
  - Co-operative marketing programs designed to create affordable, accessible opportunities available to all Minnesota leisure and hospitality businesses and communities statewide.
  - Tourism marketing grant program to support tourism promotion and destination development opportunities for communities and Tribal Nations statewide.

**Results:**

This proposal is intended to allow Explore Minnesota Tourism to continue to provide current levels of service and information to the public as well as all visitors to the state of Minnesota.



# Explore Minnesota Tourism

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Making Minnesota a Top-10 Destination

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	5,900	5,900	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,900	5,900	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends onetime funding of \$5,900,000 for FY2024 and \$5,900,000 for FY2025 to Explore Minnesota Tourism (EMT) for marketing initiatives, tourism incentives, grant programs, and education. This includes:

- \$6 million for competitive grant funding to support large-scale sporting events and other major events.
- \$2.2 million to promote and support Tribal Nations
- \$2 million to grow the state’s visitor economy by supporting economic expansion.
- \$1.25 million for other tourism and hospitality industry grants.
- \$175,000 to broaden stakeholder engagement and support the Explore Minnesota Tourism Conference and the Tourism Industry Education Library.
- \$175,000 to implement a long-term sustainability agenda for tourism.

### Rationale/Background:

According to [research conducted](#) for the [Explore Minnesota 2022-2025 Strategic Plan](#), the tourism industry, other state agencies, and influential external stakeholders support broadening programming for Explore Minnesota Tourism. To address this feedback, EMT developed a new strategic plan that not only set forth a new, future-focused mission and vision for the agency but established new goals and imperatives to move Minnesota into a top-10 travel destination:

#### GROW MINNESOTA'S VISITOR ECONOMY

- Increase total visitation and Minnesota's market share
- Increase economic impact of tourism
- Grow jobs created by tourism and related businesses

#### CREATE A WELCOMING EXPERIENCE FOR ALL VISITORS

- Increase marketing spend in diverse markets
- Expand and highlight content celebrating diverse cultures
- Increase the percentage of diverse vendors used
- Foster relationships with underserved, cultural and heritage communities

#### MAXIMIZE PARTNER AND STAKEHOLDER LEADERSHIP AND ENGAGEMENT

- Increase private and in-kind dollar contributions
- Grow stakeholder participation in Explore Minnesota’s programs
- Prioritize opportunistic and partnership marketing

## **FOSTER DESTINATION STEWARDSHIP**

- Conduct a Destination Assessment of Minnesota
- Build partnerships with governmental agencies to identify areas of growth/sustainability where tourism intersects
- Create new educational opportunities around maintaining cultural, environmental and economic integrity of Minnesota as a tourism destination

## **ENSURE ORGANIZATIONAL EXCELLENCE**

- Prioritize employee growth through educational opportunities
- Improve employee satisfaction as measured by an annual survey
- Develop OKRs (Objectives & Key Results) for all projects
- Create plan for increased employee engagement
- Establish an organizational structure that is future-focused

### **Proposal:**

The Governor recommends increased funding to several initiatives at EMT.

### **Competitive grant funding to support large-scale sporting events and other major events (\$6 million)**

Major sporting and entertainment events such as the Special Olympics, Super Bowl or the Universal Exposition become a top agenda item for governments around the world. These kinds of events can be a significant catalyst for change, elevating the host's global stature and accelerating its economic, political, and social development. It provides a common focal point for people to rally around and fosters collaboration among the public sector, private sector, and community. A grant program to support such events could have a positive impact on environmental sustainability, diversity, and community involvement around the state. With five major urban centers around the state, we have the opportunity to make Minnesota a go-to destination for hosting some of the nation's and world's premier events.

### **Promotion and Support of Tribal Nations (\$2.2 million)**

A new destination development grant program for Minnesota's 11 Tribal Nations (same dollar amount earmarked for each community) will support funding needed to introduce, create and advance tourism for Tribal Nations. Destination development will create opportunities for Minnesota's Tribal Nations to further develop tourism related jobs, stimulate economic activity within communities, and preserve and honor Native cultures. Examples of grant funding uses may include conducting tourism feasibility studies, research, consultative services, business plan development, infrastructure projects necessary to facilitate tourism, creation and support of tourism events, creation and support of visitor programs and services, marketing and promotions, and staffing.

### **Support for economic expansion through tourism (\$2 million)**

EMT will expand targeted consumer travel marketing and diversity marketing, seek out new marketing partnership opportunities, improve language and accessibility for [exploreminnesota.com](http://exploreminnesota.com), collect additional data about markets and consumers, and strengthen public relations.

### **Tourism and hospitality industry grants (\$1.25 million)**

Grants to secure group business will allow EMT to develop strategic programs that will assist in securing future group business. This includes events, meetings/conventions, and trade shows. Grants will support the Governor's Opener events and host communities. Since 1948, Minnesotans have participated in the Governor's Fishing Opener. The occasion serves as the official start of the summer travel season and promotes the growth of Minnesota's recreation sector. The Minnesota Governor's Pheasant Hunting Opener, started by Governor Mark Dayton in 2011, promotes the intersection of tourism and hunting/hunting-related activities to the general public and diverse cross-section of Minnesotans as well as Minnesota's public land conservation efforts. The Governor's Deer Hunting Opener, started in 2002, promotes deer hunting for youth, ethical hunting practices, herd management and stewardship. The events generate significant media through public relations, radio, print,

television, and social media to highlight Minnesota's accessible public fishing opportunities, natural resources, and the host community.

**Stakeholder engagement, the Explore Minnesota Tourism Conference, and the Tourism Industry Education Library (\$175,000)**

EMT will broaden stakeholder engagement through increased industry outreach, prioritizing underserved and diverse communities through personal meetings, presentations, participation in relevant workgroups and committees in order to encourage collaboration with EMT and other state agencies.

Supplementing Explore Minnesota Tourism Conference programming and the Tourism Industry Education Library will expand the free resources available to the tourism industry.

**A long-term sustainability agenda for tourism (\$175,000)**

EMT will design and implement a sustainability agenda for tourism which will include a Global Sustainable Tourism Council (GSTC) Destination Assessment, designed to introduce the destination management team to the elements required to develop sustainable policies and practices.

**Impact on Children and Families:**

Nature Deficit Disorder is an accepted condition where a lack of outdoor exposure in children leads to a variety of mental and behavioral issues. Expansion of EMT's marketing of outdoor recreation is a gateway for families to find statewide opportunities to experience Minnesota's natural resources. Marketing will lead consumers to exploreminnesota.com which presents a plethora of activities as vast as biking or hiking a trail, swimming, fishing, or paddling one of our 11,842 lakes, camping, or exploring parks, gardens or zoos. The exploration of the outdoors spurs creativity strengthens connections and appreciation for plants and animals and promotes mental health and overall wellness. Explore Minnesota collaborates with the Department of Natural Resources and the Minnesota Zoo on promoting accessibility of the outdoors to children and families.

According to Dr. Cathy Jordan with the Children & Nature Network, "...although nature might be good for all children, it's especially good for those who might be at risk...as a result of factors associated with limited financial resources. The implication is that equitable access to nature could...help close educational achievement gaps or reduce health disparities." (Interview, Sept. 2020)

Children who grow up experiencing the outdoors will naturally pass those passions on to their own children. They are familiar with and confident in how to engage in activities with gear and equipment like camping, paddling, and skiing. Appreciation for sustaining the environment is developed and these folks are more likely to creating community connections to advocates for its protection.

Our programs directly support the Children's Outdoor Bill of Rights and market opportunities available at all accessibility levels throughout the state of Minnesota.

**Equity and Inclusion:**

Explore Minnesota strives to support minority-owned media in our overall marketing. People of color, sexual orientation and Native Americans are depicted in advertising to showcase Minnesota as a welcoming destination to all. Our website features articles on ways to support minority-owned tourism-related businesses and have authentic cultural experiences. Future work to develop foreign language content on the site will further these efforts. Explore Minnesota proposes expanding our programs to increase our reach into markets that previously have been unreachable. Funding will support research to determine how our marketing can impact and support the LGBTQ+ and BIPOC communities through increased exposure of businesses, events and attractions owned and operated by these communities. Funding will expand Minnesota's marketing efforts into publications and digital outlets that have a higher minority readership and will highlight a welcoming experience for all. Explore Minnesota will prioritize working with vendors in these communities and providing IDI and other cultural

sensitivity training to staff to ensure messaging and programming is supportive of underrepresented communities in Minnesota and beyond.

Our FY22 Brand Lift Study showed that marketing drove a 17% lift in familiarity among diversity audiences. Expanded marketing will increase awareness of travel opportunities and drive incremental business. Media buys with minority-owned businesses demonstrates commitment to outreach to diverse audiences and support for the economic health and vitality of minority businesses.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

All 11 Tribal governments will benefit from increased grant funding to support tourism infrastructure developments within their reservations. Explore Minnesota plans to add a tribal liaison to our staff to support more cooperation with Tribal governments.

**IT Costs**

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll						
Professional/Technical Contracts	240,000	150,000	150,000	150,000	150,000	150,000
Infrastructure						
Hardware	65,000	40,000	25,000	25,000	25,000	25,000
Software	35,000	60,000	25,000	25,000	25,000	25,000
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
<b>Total</b>						
MNIT FTEs						
Agency FTEs						

**Results:**

**Performance measures**

- **Return-on-investment:** this research measures the effectiveness of the marketing, the incremental trips generated by the advertising, associated travel spending and calculates the state and local tax ROI. Currently, results are separated by Minnesota residents and out-of-state residents.
- **Brand Lift:** our brand lift study gives us a vast array of data. It measures awareness, ad recall, consideration, intent, familiarity and favorability. It also identifies which media channels produce the highest results among all these aspects of brand lift. Finally, it gives us demographic information on the consumers that rank us highest among all the aspects of brand lift.
- **Website traffic (unique visitors, pageviews, time-on-site, etc.)** as measured by Google Analytics.

- **Conversion metrics / lead generation:** includes travel guide orders, email subscriptions and sweepstakes entries. Conversion indicates high interest in travel and an ongoing relationship with EMT.
- **Macro KPIs:** tied to our strategic imperative of Growing Minnesota's Tourism Economy

Tourism is a revenue generator for the State of Minnesota. EMT's national campaigns yield our highest ROI. In FY22, EMT's winter national campaigns yielded 2.1 times the return-on-investment as compared to our Minnesota campaign (\$11.65 vs. \$5.48 in tax revenue per dollar spent) (*Source: SMARI, April 2022*). These results buoy Minnesota's tourism industry by influencing traveler volume, sustaining jobs and supporting ancillary business thereby keeping the local economy healthy and thriving. The Spring/Summer 2022 ROI study is currently in process.

Staying in front of consumers who are interested in travel is vital to growing Minnesota's tourism economy. Our latest brand awareness study (*Source: SMARI, Aug. 2022*) asked travelers to rank their intent to travel to a specific competitive set of six states plus Minnesota. Those who were aware of Explore Minnesota's advertising ranked Minnesota second (behind Colorado). Those who were unaware of Explore Minnesota's advertising ranked Minnesota last.

**Statutory Change(s):** No change to statute.

# Explore Minnesota Tourism

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Marketing Incentive Match Formula

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends modifying the Explore Minnesota marketing incentive match formula to better financially support marketing and advertising programs within the agency.

### Rationale/Background:

The current language of the marketing incentive match formula jeopardizes our ability to meet the demands of industry partners who are currently experiencing or may experience significant tax revenue shortfall due to the pandemic aftermath, worker shortages, natural disaster and other negative impacts that limit the partners ability to operate their business at full capacity. Financial instability has caused hospitality and travel leisure businesses to shut down, pause, furlough, or operate at low capacity just to maintain operations. The loss of revenue has limited their ability to pursue partnerships with Explore Minnesota, which has impacted the cash match requirement under current language. This change will allow Explore Minnesota to be nimble, reactive and proactive to industry demands by enabling us to flexible with our business practice and match requirements without jeopardizing match goals imposed on the release of the marketing incentive funding.

### Proposal:

This proposal removes the provision in the match formula capping the amount of in kind or soft match at one half of the total match. The result is that it will be easier for Explore Minnesota Tourism’s partners to meet the match requirements.

2021 1<sup>st</sup> Special Session Chapter 6, Article1, Sec 9.

(a) \$500,000 the first year and \$500,000 the second year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented in-kind, soft match, or cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2020 2022 is based on fiscal year 2019 2021 private sector contributions. The incentive in fiscal year 2021 2023 is based on fiscal year 2020 2022 private sector contributions. This incentive is ongoing.

### Equity and Inclusion:

Explore Minnesota continues to broaden our efforts in relation to underrepresented communities across the state. This proposal would allow us to work with more community groups and partner with events that have a significant impact and represent a more inclusive and diverse Minnesota. Allowing us to operate in an in-kind

fashion creates a more sustainable and supportive partnership with community groups that may not have significant funding to match our collaborative efforts with cash.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

# Explore Minnesota Tourism

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Development of Office of Economic Promotion

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	12,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
<b>FTEs</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

#### Request:

The Governor recommends \$12 million in the FY24-25 biennium from the general fund to establish a new division within Explore Minnesota Tourism called Explore Minnesota for Business. The division will promote talent attraction and economic development, harnessing the skills and brand power of the agency.

#### Rationale/Background:

Minnesota has one of the tightest labor markets in the country, and one of the core reasons is we are failing to attract migrants to move to our state. For the last 20 years have seen migration to Minnesota stagnate and decline.

There are a minimum of 15 other states in the country that have an established state marketing program for talent attraction and economic development. Of those states, four of them are Midwest states—directly competing with Minnesota to be a top state to live, work, and visit.

Thankfully, we have a strong, award-winning tourism agency and brand that we can expand to build a robust effort for economic promotion. The state of Minnesota has relied on Explore Minnesota Tourism to help grow the number of annual visitors each year. However, in recent years, especially after the pandemic, the tourism has become more active in economic development and talent attraction. Expanding Explore Minnesota’s efforts to include economic marketing is a critical workforce strategy. It was developed jointly by DEED and Explore Minnesota out of the recommendations put forward in the Governor’s Council on Economic Expansion and further developed through the interagency discussions on Thriving Economies.

#### Proposal:

This proposal establishes a new division within Explore Minnesota Tourism called Explore Minnesota for Business. The appropriation will be used for:

- Interagency marketing campaign development for ongoing programs including workforce development, talent attraction and other economic development programs
- Consistent state marketing messaging and communications
- Leverage of existing market development and research
- Establish Minnesota as a top market to start a business, work, and live
- Attract conferences to Minnesota in the state’s top business markets and in markets the state wishes to establish further
- In coordination with DEED, develop and market events to attract talent and businesses
- Develop a website as a hub for relocation, talent and business attraction



- Ensure state agencies with information and resources tied to economic development promotion support and disseminate Explore Minnesota for Business materials properly and follow established brand standards
- Provide ongoing research to ensure marketing efforts are effective and remain relevant; research should also be used to develop new markets for campaign expansion

Funds will be used to staff the division in addition to services shared with Explore Minnesota, hire an agency of record to help develop marketing campaign materials and purchase media buys and to produce marketing materials for print and online. In the first year, the funds will also be used to do a brand development and strategic plan for the division and develop or redesign exiting websites with new branding and better optimization.

This new division will lead the state’s economic promotion efforts. Explore Minnesota for Business will establish a council to provide feedback and direction on initiatives. The Executive Director of Explore Minnesota Tourism and Commissioner of DEED will co-chair the council. The council will emphasize and prioritize diversity, equity, and inclusion among membership. Different than the existing Explore Minnesota Tourism Council, the Explore Minnesota Business Council may consist of:

- CMOs and CHROs of major Minnesota businesses
- Entrepreneurial community members, start-up incubators and/or major Minnesota VCs
- University of MN and Minnstate leadership
- MN Marketing Partnership leadership
- MIAC/Tribal leadership, including casino management
- Minnesota’s Ethnic Chambers of Council
- Leadership of the Minnesota Business Partnership and the Minnesota Chamber of Commerce
- Regional Talent Attraction organizations
- University student leadership
- And others as determined

The division would need to employ a marketing director to oversee the ongoing projects of the division, marketing coordinators to manage project work along with website and social media content.

New positions would include the following:

- **Marketing Director** (Senior Executive Officer)—responsible for overall vision and strategy; manages ad agency contract; reports to Executive Director of Explore Minnesota
- **Marketing coordinator** (SPA Intermediate) x2—supports the implementation of marketing campaigns; manages collateral development, social media and digital content and works with ad agency to product content; reports to Deputy Director

The Director of Explore Minnesota would manage the new division under the umbrella of Explore Minnesota to ensure consistent messaging and collaboration. Explore Minnesota’s Director would work closely with the DEED Commissioner on this work given its importance to the agency’s mission. The DEED Commissioner would be listed as a key attendee and audience for all council meetings.

DEED would continue to plan and execute major events that they currently provide, but the new division will collaborate to develop marketing and collateral for use. Further, and strictly as needed, the division may participate in conferences to support the work of the division. The proposal will support the following:

- Administrative or programmatic capacity – The new division will include 2-3 new FTEs to ensure ample support for new marketing campaign efforts. The organizational structure would be similar to Explore Minnesota’s to ensure consistency. Though administrative work can be shared across the agency, the

additional FTEs would create a cleaner process for prioritizing and completing work and increases the number of individuals available to collaborate with other state agencies—not detracting from work currently being done by existing EMT staff.

- Equipment or supplies – Each new FTE will require a computer and other office supplies, approximately \$2200/employee. As employees of Explore Minnesota, they will be telework-eligible and will also have access to the EMT office located in Metro Square in St. Paul. This will not have a significant impact on existing supplies or resources.
- Forecasted Programs – EMT staff who will support the work of both Explore Minnesota Tourism and Explore Minnesota for Business will be impacted, they may be eligible for a reallocation and a change in class depending on duties and responsibilities of their new work within the agency.
- Currently, the proposal will be funded by the general fund. In subsequent years, the division and/or legislature may pursue both private partnerships as well as a sustainable funding source through existing taxes directly related to the outcomes of the division programs. The proposed amount for the biennium assumes the cost of new employees, a strategic plan development, at least one marketing campaign with media buys and a plan or potential development of a new website to support the work. Within the first year, the division will have to invest in research and an analysis of how our state ranks among others. Major program work will likely not begin until Q2 or Q3 after hiring is complete and a strategic plan of work is in place.
- The proposal assumes that the amount requested will align with other states with similar programs. It also assumes the cost of a digital-first media campaign that would allow the state to be market more competitively in key markets across the country and the world.
- The cost of the proposed FTEs would be approximately \$1M and would include benefits.
- The proposal addresses needs presented by other state agencies in the Thriving Economies workgroups as well as discussions that have taken place over the last year with various commissioners. Other state agencies do not have existing marketing teams to support formal, large-scale campaigns that can attract talent to major industries and help develop new markets in Minnesota. Further, through EMT’s own stakeholder engagement and through other agency feedback, it is clear that our major tourism businesses and the industry would benefit from an interagency marketing division dedicated to talent attraction, workforce growth and economic development in emerging markets.
- Ideally, the division would launch at the beginning of FY24. A timeline is below for reference:
  - Division enacted: July 2023
  - Position descriptions developed: May-June 2023 (may be done after the legislation is passed, prior to the start of FY24)
  - Staff hired by: October 2023
  - First project/program launched: October-November 2023

### **Impact on Children and Families:**

The Minneapolis-St. Paul area is rated as the #10 place to raise a family in the country, but how can we continue to grow? We can help move Minnesota up that list by touting the lowest unemployment rate of any state ever, the affordability of living in Minnesota, the natural abundance of outdoor recreation opportunities, the connect with our incredible cultural communities and more. We need to better market our accomplishments to encourage entrepreneurs and business owners to move their operations and employees to Minnesota. Our strength is in our dedication to education and healthcare (among other amazing things we do) and we can highlight the opportunities available to children and families of all types.

Marketing the aspects of Minnesota that can attract new families, businesses and workers means that we can develop a stronger culture of innovation. Attracting more talent and businesses to areas throughout the state will bolster the state’s economy and boost our reputation as a leader for business growth and innovation. These marketing efforts will give new opportunities to the next generation. Students across the state can feel

empowered and encouraged to participate in an entrepreneurial and innovative industry in Minnesota and could have easy access to these emerging industries in their hometowns.

**Equity and Inclusion:**

Minnesota is a beacon in the upper Midwest. Home to one of the biggest Pride festivals in the country, 11 Native Nations, the largest concentration of Hmong and Somali populations in the U.S. and a genuinely beautiful cultural fabric. But we are at an inflection point. The Governor’s Council on Economic Expansion noted that “Although Minnesota ranks near the top of dozens of national indicators for business and economic success “Minnesota exceptionalism” can be paralyzing. Performing well in rankings makes it easy to ignore that Black, Brown, Indigenous, and all people of color are being excluded from the benefits of a strong economy.” The role of this division will be to work with other government agencies to address those inequities and market opportunities to create a more equitable economy in MN. We need to highlight the success of our Black, Brown, Indigenous, people of color and LGBTQ+ owned businesses and ensure that non-Minnesotans see a place for themselves here. We also need to specifically target areas where there are gaps and identify how to fill those—by listening to individuals and organizations in the community who are making strides to be more equitable and inclusive. To help meet this need, the Council assigned to this division will have representation from these communities to ensure a variety of voices are heard and impact the core messages we put forward.

**Tribal Consultation:**

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

**IT Costs**

<b>Category</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
<b>Payroll</b>						
<b>Professional/Technical Contracts</b>						
<b>Infrastructure</b>						
<b>Hardware</b>	4.320	5.400				
<b>Software</b>	1.232	1.540				
<b>Training</b>						
<b>Enterprise Services</b>	3.264	4.080				
<b>Staff costs (MNIT or agency)</b>						
<b>Total</b>	8.816	11.020				
<b>MNIT FTEs</b>	0	0	0	0	0	0
<b>Agency FTEs</b>	4	5	5	5	5	5

**Results:**

As with all marketing plans, there needs to be research (e.g. a S.W.O.T. analysis, state’s image as an magnet for economic growth, etc.), a plan of action, how to market and where, and whether it was successful—often the most challenging part of marketing.

With the help of an ad agency, media buying organization, and our team, we will measure success and impact by establishing KPIs and OKRs for all major programs and projects, auditing and tracking our work as we go (usually measured monthly and quarterly), and a biannual strategic review of what tactics are working and what tactics should be shifted to better accomplish our goals. At the onset of Explore Minnesota for Business we would set a 3–5-year strategic plan/vision to guide our work with annual benchmarks and milestones, would gather buy-in from the appointed Council, other staff, and other related agencies as we build our plan and transparently communicate the progress to staff and stakeholders to ensure we are in line with expectations.

Typical marketing analytics and effectiveness measurements include:

- ROI – Return on Investment; how many impressions, how much did we increase out-of-state talent attraction, new businesses opened, etc. And what is the impact relative to the dollars we spent.
- Brand lift – How many more non-Minnesotans became aware of or took interest in Minnesota based on our marketing.
- Leads & inquiries – How many more businesses or individuals sought information regarding growing their business or working in Minnesota as a result of our marketing.
- New jobs created
- Increase in capital investments by non-Minnesotans
- Digital awareness & impact – includes website traffic, media coverage, social and digital media engagement

**Statutory Change(s):**

The development of the division and Explore Minnesota Business Council will require a statute change.

## Explore Minnesota Tourism

## Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actual	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
U.S. Department of Commerce 11.307; subgrant through DEED	FY2021 American Rescue Plan Act Travel, Tourism, and Outdoor Recreation	\$ 3,482	\$ 583	\$ -	\$ -	No	0.5
<b>Federal Fund – Agency Total</b>		<b>\$ 3,482</b>	<b>\$ 583</b>	<b>\$ -</b>	<b>\$ -</b>		<b>0.5</b>

### Narrative

Employment and Economic Development (DEED) was awarded \$9.194M of Economic Development Administration (EDA) American Rescue Plan funding of which Explore Minnesota Tourism received a subgrant of \$4.065M for the purposes of supporting travel, tourism, and outdoor recreation. The EDA investment is in support of the Biden-Harris Administration's commitment to build back the American economy better and stronger. The funds can only support travel, tourism, and outdoor recreation sectors and must be consistent with CDC guidelines for safe travel. Eligible uses for the award are listed as follows: tourism marketing and promotion, workforce training, economic development planning and coordination, technical assistance projects linked to economic recovery for the travel tourism industries, upgrades to existing travel, tourism and outdoor recreation infrastructure and NEW infrastructure projects that lead to long term increases in tourist activity. This is a onetime award without matching requirements or FTE conditions. Explore Minnesota is using the funds for research on consumer travel behavior and tourism marketing campaigns to support pandemic recovery of the state's tourism industry.