



DATE: March 12, 2019
TO: Commerce Committee
FROM: Jeff Shaw, Senior Director of Public Policy & Advocacy, The Alliance
RE: H.B. 7306 AN ACT CONCERNING RECOMMENDATIONS FROM THE SPEAKER OF THE HOUSE OF REPRESENTATIVE'S BLUE RIBBON COMMISSION ON TOURISM.

Good afternoon Senator Hartley, Representative Simmons, Senator Martin, Representative Cummings and members of the Commerce Committee:

My name is Jeff Shaw, Senior Director of Public Policy & Advocacy, of the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing nonprofits, with a membership of more than 300 community organizations and associations. Nonprofits deliver essential services to more than half a million people each year and employ almost 14% of Connecticut's workforce.

Thank you for the opportunity to provide testimony with regard to **H.B. 7306, AN ACT CONCERNING RECOMMENDATIONS FROM THE SPEAKER OF THE HOUSE OF REPRESENTATIVE'S BLUE RIBBON COMMISSION ON TOURISM.**

H.B. 7306 proposes to bolster the impact of tourism on the State and the economy. We agree, tourism is an important economic driver, representing 10% of Connecticut's economy, generating \$14.7 million annually and supporting 122,000 jobs, and should receive State investment.

Another major economic driver in Connecticut that often works directly with the tourism industry is the arts and culture industry. In fact, a study by the Americans for the Arts, found that arts and culture (separate and distinct from tourism) is an equally powerful economic driver in Connecticut. The 2017 study found that arts and cultural organizations (many of which are nonprofits) represent 5% of Connecticut economy, generates \$9 billion annually, and supports 57,000 jobs. Additionally, the study found a \$7 to \$1 return on investment of funding for *arts and cultural* programs, greater than the return on investment on *tourism*, which is \$3 to \$1.

Arts, culture and tourism have historically been under the same umbrella, and had a symbiotic relationship with each other but operated within different silos of the Department of Economic and Community Development (DECD) state offices (Office of Tourism, Office of the Arts, State Historic Preservation Office, etc.), each with different goals and different structures to support their work. The State would benefit from a unified vision for Arts, Culture and Tourism with shared goals. The arts, culture and tourism industries are dependent on each other, but have struggled to collaborate with one another due to current structured and uncertainty of funding.

We appreciate the work of the Speaker's Blue Ribbon Panel on Tourism to solicit feedback regionally on tourism, marketing and economic activity to improve our ability to attract families, businesses and visitors to Connecticut. We support the following recommendations outlined in the plan and respectfully ask the Commerce Committee to consider and support:

- Adjusting the portion of the revenue generated from the lodging tax (10%) be increased to 25%, to better support arts, culture and tourism programs. Most arts, cultural and tourism line items have been cut over the last few years, and this change would help restore those reductions.
- Dedicating 60% (\$19.2 million) of the “Tourism Fund” (or “Arts, Culture and Tourism Fund”) to *tourism* programs; and the remaining 40% (\$12.8 million) to *arts and cultural* programs. This share of funding for tourism and arts and cultural programs mirrors current allocations.
- Within the DECD budget, changing the name of the “Tourism Fund” to the “Arts, Culture and Tourism Fund.” This clarification is important as the fund is intended to treat equally arts, culture and tourism programs.
- Within the DECD budget, changing the name of the line item, “Statewide Marketing” “Statewide Tourism Marketing,” as it is a better representation of how the funds are used.

Arts and cultural initiatives lead to vibrant downtowns, support innovation and creativity, and provide an improved quality of life that attract businesses and families to live, work and play in the community. Providing funding, marketing or additional resources for arts, culture and tourism industries is a good investment in Connecticut’s future.

Thank you for your consideration.