

ANNUAL REPORT TO
Clerks of the Senate and House of Representatives
and the Joint Committee on Tourism, Arts, and
Cultural Development

REGIONAL TOURISM COUNCIL
STATE EXPENDITURES

FISCAL YEAR 2023

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ABOUT THE MASSACHUSETTS OFFICE OF TRAVEL AND TOURISM

The Massachusetts Office of Travel & Tourism (MOTT) is the state agency dedicated to promoting Massachusetts as a tourism destination for domestic and international markets and to contribute to the growth of the Commonwealth's economy. MOTT is also responsible for allocation of monies provided by the Commonwealth under the general laws noted. The Fiscal Year 2023 Regional Tourism Council (RTC) grant allocations were based on economic impact expenditures in calendar year 2019. This timing difference stems from a lag in the availability of the economic impact values at an RTC level. In calendar year 2019, an estimated 29 million domestic and international visitors came to Massachusetts. Combined travel-related spending totaled \$24.9 billion which supported 156,000 in-state jobs while generating \$1.7 billion dollars in state and local tax revenue. **Note: Calendar year 2020 saw a 60% decrease in travel related economic impact and \$10 billion in spending but rebounded to \$16.5 billion in calendar year 2021.*

THE COMMONWEALTH OF MASSACHUSETTS GENERAL LAWS

Chapter 23A. Section 13T. (a) There shall be a Massachusetts Tourism Trust Fund which shall be administered by the Massachusetts marketing partnership established in section 13A and held by the partnership separate and apart from its other funds. There shall be credited to the fund \$10,000,000 from the room occupancy excise imposed by section 3 of chapter 64G and section 22 of chapter 546 of the acts of 1969. There shall also be credited to the fund all revenue as designated under the Gaming Revenue Fund pursuant to sub clause (b) of clause (2) of section 59 of chapter 23K. All available money in the fund that is unexpended at the end of each fiscal year shall not revert to the General Fund and shall be available for expenditure by the fund in the subsequent fiscal year. Money in the fund shall be applied as follows: 40 per cent to the Massachusetts marketing partnership; and 60 per cent to regional tourism councils. The partnership shall submit an annual report to the clerks of the senate and house of representatives and the joint committee on tourism, arts, and cultural development not later than December 31 on the cost-effectiveness of the fund. The report shall be made available on the office of travel and tourism's website. The report shall include: (I) expenditures made by the partnership from money out of the fund to promote tourism; (ii) expenditures made by the partnership for administrative costs; (iii) expenditures made by the regional tourism councils to promote tourism; and (iv) expenditures made by the regional tourism councils for administrative costs.

Section 14. The office of travel and tourism is hereby directed, subject to appropriation, to establish a program for financial assistance to those public or nonprofit agencies which promote or provide services for tourism, convention, travel, and recreation in the commonwealth. Funds shall be granted to agencies listed in section six of chapter six hundred and thirty-six of the acts of nineteen hundred and sixty-four with the addition of the Bristol County Development Council, Inc., Franklin County Chamber of Commerce, the Greater Boston Convention and Visitors Bureau, Inc., North of Boston Tourist Council, Pioneer Valley Convention and Visitors Bureau, Plymouth County Development Council, Inc., Worcester County Convention and Visitors Bureau, the MetroWest Tourism and Visitors Bureau, the Johnny Appleseed Trail Association, Inc., the Hampshire County Tourism and Visitors Bureau, and Northern Middlesex Chamber of Commerce and to any other public or nonprofit agency which has been in operation for two consecutive years prior to application for funds under this section and which spends fifteen thousand dollars in its fiscal year on tourism or a public or nonprofit agency which has a total budget larger than the average of Massachusetts tourist promotion agencies as estimated by the executive director of tourism and which spends twenty-five percent of said budget on tourism. Funds shall be used to strengthen efforts of tourism, convention, travel, and recreation agencies to attract and service visitors to the commonwealth and to better manage and distribute the influx of said visitors. The amount of funds received by any one agency shall be based on, but shall not be limited to, the following criteria: geographical size and population served by such agency; amount of matching funds from nongovernmental sources; Assurance that the funded proposal will be in addition to the work currently being done by the agency and that the agency will maintain a continued effort of the funded program; demonstrated effectiveness of agency; integration of agency's tourism promotion plans with other private and public agency plans. No funds

may be spent for travel, entertainment, or purchase of equipment under this section. Tourism is hereby authorized to make grants to agencies to assist such agencies in planning and carrying out their promotional programs and projects; provided, that before any such grant may be made; the agency shall have made application to tourism for such grant and shall have set forth the program proposed to be undertaken for the purpose of encouraging and stimulation tourist, convention, visitor, and vacation business. The application shall further state, with evidence satisfactory to tourism, the amount of nongovernmental funds held by or committed or subscribed to the agency for application to the proposals herein described and the amount of the grant for which application is made; tourism, after review of the application, shall be satisfied that the program of the agency appears to be in accord with the purpose of this section, and shall authorize the making of a grant to such agency; the maximum received by a private nonprofit agency shall be no greater than the amount received by that agency from non-governmental sources. Any agency receiving funds under this section shall make a report to the house and senate committees on ways and means on the use of said funds at such time and in such form as the executive director of tourism shall specify. The executive director of tourism shall establish guidelines in which to regulate the dispersal of funds under this section.

PART 1: REGIONAL TOURISM GRANT PROGRAM OVERVIEW

In FY2023 MOTT received and administered grant funds to the 16 Regional Tourism Councils (RTCs) in the amount of \$9,458,456.87. This report details the grant awards for each recipient in FY2023. It includes the reporting requirements and methodology used in determining and administering the funds issued to the RTCs as financial assistance to promote or provide services for tourism, convention, travel, and recreation in the RTCs designated service area. The FY2023 RTC grant application included the following elements: Grantee information, Revenue Report, Board of Directors, and Marketing Plan: Target Markets, Marketing Strategies and Budget, and Case Study.

PART 2: GRANT FORMULA

Payment allocations are based on a five-part formula distribution, with 2.158% from the total budget appropriation allocated to the Mohawk Trail Association (MTA); the balance of the remaining funds is distributed in accordance with the performance-based formula below. Note: this formula changed in FY23 as detailed below. A research deduction is taken from the allocations to the RTCs (except for the MTA) in proportion to their distribution.

REGIONAL TOURISM COUNCIL GRANT FY23 COMPETITIVE FUNDING FORMULA

1. **40% Economic Impact** - Contribution of region to statewide economic impact. State Rooms Tax Collections FY21 (20%) and regional share of direct spending by all domestic travelers (CY2020) (20%)
2. **20% Regional Commitment** - Region's FY19 private-sector commitment to tourism services
 - (10%) Proportion of private sector funds exceeding one-to-one match requirement (Based on actual FY19 private sector funds)
 - (10%) Relative share of each RTC's private sector funds to total of all RTC private sector funds (Based on actual FY19 private sector funds)
3. **40% Marketing Strategy** - Competitive score based on marketing strategy, integration with statewide marketing efforts, and the promotion of tourism with emphasis on return on investment.

FY23 RTC Grant Program Competitive Formula				
Measure	Criterion	Evaluates	Source	Formula points

Economic Impact 40%	State Rooms Tax Collections FY21 and Regional share of direct spending by all domestic travelers (CY2020)	Contribution of region to statewide economic impact	USTA Economic Impact Study	40
Regional Commitment 20%	Proportion of FY19 private sector funds exceeding one-to-one match requirement	Region's private-sector commitment to tourism marketing and services	RTC Grant Application	10
	Relative share of each RTC's FY19 private sector funds to total of all RTC private sector funds	Region's private-sector commitment to tourism and marketing services	RTC Grant Application	10
Marketing Strategy 40%	FY22 Marketing strategy evaluation *criteria listed below	Effective planning and implementation of tourism programs and integration with statewide marketing efforts	RTC Marketing Plan	40

PART 3: GRANT ALLOCATION SUMMARY

The chart below details the breakout of the FY2023 RTC Grant allocation summary by RTC;

Region	FY23 Grant Allocation	FY22 Gaming Revenue	Total
1Berkshire	\$522,715.46	\$95,288.70	\$618,004.16
Southeastern MA CVB	\$289,757.18	\$52,821.45	\$342,578.63
Cape Cod Chamber of Commerce/CVB	\$987,158.17	\$179,954.54	\$1,167,112.71
Franklin County Chamber of Commerce	\$263,573.25	\$48,048.23	\$311,621.49
Greater Boston CVB	\$1,543,573.88	\$281,386.66	\$1,824,960.54
Greater Merrimack Valley CVB	\$453,227.87	\$82,621.43	\$535,849.29
Greater Springfield CVB	\$442,887.74	\$80,736.47	\$523,624.21
Martha's Vineyard Chamber of Commerce	\$421,548.65	\$76,846.45	\$498,395.10
Nantucket Island Chamber of Commerce	\$444,427.03	\$81,017.07	\$525,444.10
North of Boston CVB	\$592,741.57	\$108,054.15	\$700,795.72
Plymouth County CVB	\$467,917.64	\$85,299.31	\$553,216.95
Central Mass CVB	\$435,010.84	\$79,300.54	\$514,311.38
MetroWest Tourism & Visitor Bureau	\$356,078.72	\$64,911.57	\$420,990.29
Johnny Appleseed Trail Association	\$320,184.16	\$58,368.15	\$378,552.31
Hampshire County Tourism & Visitors Bureau	\$286,392.47	\$52,208.07	\$338,600.54

Mohawk Trail Association	\$172,805.36	\$31,594.09	\$204,399.45
Totals	\$8,000,000.00	\$1,458,456.87	\$9,458,456.87

PART 4: REPORTING AND AUDIT REQUIREMENTS

Each RTC is required to keep quarterly records and report twice yearly to MOTT detailing how their financial allocation was spent. In FY2023 a Mid-Year Report and Year-End Report were accompanied by documentation detailing the completion or commission of all projects within that reporting period, and a financial statement of all funds expended. Each RTC verified to MOTT that the contracted scope of services and budget accurately represented the work planned and completed. If the RTC work plan and budget material changed and/or costs for specified projects varied greater than 25% of budgeted amount, the RTC was required to submit a revised budget plan for approval by MOTT. Grant funds could not be used for depreciation, contributions, meals, travel, entertainment, alcohol, equipment purchases, or taxes. Use of funds for administrative services is limited to 20% of the total grant. Use of funds for marketing salaries is limited to 20% of total grant. All grant expenditures were subject to approval by MOTT/Executive Office of Housing and Economic Development (EOHED). MOTT reviewed the RTC spending patterns to ensure that all funds were being spent on tourism-promotion.

A comprehensive independent audit of each RTC expenditure of state funds was required under the terms of the contract to be submitted to MOTT on or before November 30, 2023. Thirteen of the 16 RTC audits were received on or by the due date, the remaining 3 requested and were granted an extension for filing and will be added to Dropbox upon receipt. Audits must be prepared by a certified public accountant licensed in good standing by the Massachusetts Board of Public Accountancy and verify that the RTC expended all of the grant funds and the interest income in accordance with the contract requirements established by MOTT.

Notes:

- Due to the COVID-19 pandemic the following regulations were waived and/or adjusted for FY2023:
The dollar-for-dollar minimum cash match of non-governmental funds, which must be spent on tourism marketing programs; the use of grant funding to attract visitors from 50 or more miles one way and/or who stay overnight in a paid accommodation.

FY2023 RTC Files are available in Dropbox– Grant Applications, Annual Reports, Audits, and Contracts:

[FY23 RTC GRANT APPLICATIONS](#)

[FY23 RTC YEAR-END REPORTS](#)

[FY23 RTC AUDITS](#)

[FY23 RTC GRANT PROGRAM- TERMS AND CONDITIONS CONTRACT](#)

December 19, 2023