UPDATE ON CORONAVIRUS RELIEF NEGOTIATIONS

Negotiations Have Stalled

U.S. Travel Action Alert: Contact your member of Congress

• Urge Congressional Action on Coronavirus Relief Bill

ustravel.org/SaveTravel
TREON GLENN
Senior Director,
Government Relations
U.S. Travel Association
OVERVIEW OF THE CORONAVIRUS RELIEF FUND (CRF)
The CARES Act provided $150 billion for States and eligible local governments (city or county) to use at their discretion.

Funds were allocated to the states based on population, with eligible municipalities able to receive a direct allocation if they—

- had more than 500,000 residents; and
- applied for a direct allocation certification before April 18

State governments received the balance of the state’s allocation, minus any funds directly granted to eligible municipalities within the state.
### Arizona

<table>
<thead>
<tr>
<th></th>
<th>Allocation</th>
<th>Percent Spent*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Total</td>
<td>$2.8 Billion</td>
<td>19.7%</td>
</tr>
<tr>
<td>Maricopa County</td>
<td>$399 Million</td>
<td>2.5%</td>
</tr>
<tr>
<td>Pima County</td>
<td>$87 Million</td>
<td>12.3%</td>
</tr>
<tr>
<td>City of Mesa</td>
<td>$90 Million</td>
<td>47.8%</td>
</tr>
<tr>
<td>City of Phoenix</td>
<td>$293 Million</td>
<td>57.7%</td>
</tr>
<tr>
<td>City of Tucson</td>
<td>$96 Million</td>
<td>37.6%</td>
</tr>
<tr>
<td>State Government</td>
<td>$1.9 Billion</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

### Michigan

<table>
<thead>
<tr>
<th></th>
<th>Allocation</th>
<th>Percent Spent*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan Total</td>
<td>$3.9 Billion</td>
<td>8%</td>
</tr>
<tr>
<td>Kent County</td>
<td>$115 Million</td>
<td>5.7%</td>
</tr>
<tr>
<td>Macomb County</td>
<td>$153 Million</td>
<td>7.9%</td>
</tr>
<tr>
<td>Oakland County</td>
<td>$219 Million</td>
<td>21%</td>
</tr>
<tr>
<td>Wayne County</td>
<td>$188 Million</td>
<td>57.7%</td>
</tr>
<tr>
<td>City of Detroit</td>
<td>$96 Million</td>
<td>24.3%</td>
</tr>
<tr>
<td>State Government</td>
<td>$3 Billion</td>
<td>3%</td>
</tr>
</tbody>
</table>

*As of August 24, 2020*
ELIGIBLE USES

There’s broad discretion in eligible uses, as long as they meet three statutory requirements:

1. Must be related to the COVID-19 pandemic
2. Cannot be accounted for in a previous budget
3. Must occur before December 30, 2020

- The requirements also apply to the subrecipients of the funds if the primary recipient (states or local government) chooses to provide subgrants.

- States and local governments are liable for any misuse—meaning they could be on the hook to pay back funds if misused (in addition to any applicable penalties).
ELIGIBLE USES

1. Must be related to the COVID-19 pandemic  
2. Cannot be accounted for in a previous budget  
3. Must occur before December 30, 2020

Complication

- Travel promotion is accounted for in many state and local budgets (through the allocation of state or local tax revenue)

Exception

- If the expense is for “a substantially different use” from any expected use of previously budgeted funds.

Clarity for Travel Promotion

- U.S. Travel asked the U.S. Treasury Department to provide greater clarity on what qualifies as “substantially different” within the context of tourism promotion.
ELIGIBLE USES

1. Must be related to the COVID-19 pandemic  2. Cannot be accounted for in a previous budget  3. Must occur before December 30, 2020

Treasury responded by amending their FAQ:

**Q:** May recipients use Fund payments to remarket the recipient’s convention facilities and tourism industry?

**A:** Yes, if the costs of such remarketing satisfy the requirements of the CARES Act. Expenses incurred to publicize the resumption of activities and steps taken to ensure a safe experience may be needed due to the public health emergency. Expenses related to developing a long-term plan to reposition a recipient’s convention and tourism industry and infrastructure would not be incurred due to the public health emergency and therefore may not be covered using payments from the Fund.
ELIGIBLE USES

In Plain English:

✅ You can use CRF Funds on marketing campaigns designed to respond to the pandemic:
   - To tell people your destination is open for business.
   - To tell people why it’s safe to travel to your destination, including educating people about what safety measures you have put in place.
   - To educate people about healthy travel practices or requirements needed to ensure a safe visit.

❌ You cannot use CRF Funds for traditional marketing unrelated to the pandemic.
ELIGIBLE USES

1. Must be related to the COVID-19 pandemic  2. Cannot be accounted for in a previous budget  3. Must occur before December 30, 2020

Timing of Ad Buys

- Treasury’s guidance doesn’t explicitly state how the December 30th deadline applies to ad buys.
- It may be helpful to think of ad time as a “good” in this context.

Example for Goods

- Goods can be bought for use after the deadline if—

  1. it’s bought in bulk under normal practices,
  2. some of the goods are needed for use before the deadline, and
  3. the expense occurs before the deadline.
ANGIE BRIGGS
Vice President, Industry Relations
U.S. Travel Association
A PANEL ON USE-CASE EXAMPLES
DIANE SHOBER
Executive Director
Wyoming Office of Tourism
Wyoming - $1.25 Billion CARES Act Funds

Options to Access Funds
1) Legislative Branch or Executive Branch
2) Wyoming Legislature Special Session May 2020 “1st Things 1st”

Governor’s Office – Executive Branch
1) Submit application to State Budget Office
2) BRAT (Budget Review Advisory Team) reviews;
3) Attorney General - Submit extended application for compliance review via federal guidelines;

Collaborative Process
1) Weekly Industry Calls Starting March 16th
2) Wyoming Office of Tourism, Wyoming Travel Industry Coalition and Wyoming Lodging & Restaurant Association
3) Governor’s Policy Team
Agency/Entity Name
Name of program or request for distribution
Provide a brief description of program or intended use of funds
Has this request been preliminarily approved by the Governor?
Are the requested funds going to supplement an existing program?
If the funds are used to create a new program, what needs done to create the new program (i.e. rules)?
  o If there is a new program, can the new program be fully supported by CARES Act funds?
Was this program/expenditure accounted for in the most recently approved State budget?
Was or will the cost related to the requested distribution be incurred during the period of March 1, 2020 to December 20, 2020?
Will the funds requested be fully expended (not just encumbered) by December 30, 2020?
What, if any, are the reporting requirements related to the use of the funds?
Provide a description of the amount of all federal loans, grants or aid provided for COVID-19 related purposes including from the Coronavirus Aid, Relief and Economic Security (CARES) Act, Public Law 116-136, or other similarly purposed federal act for which the agency/entity is eligible.
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Provide an explanation for how the use of these funds is necessary to respond to the COVID-19 health emergency.
Will these funds be used to purchase real property?
Will these funds be used for capital construction?
Will these funds be used to replace lost agency revenue (e.g., unpaid utility fees, lost trail fees)?
If you have any additional information you would like considered, please provide it.
Wyoming’s DMO Relief Fund

$5 million
28 local DMOs (local lodging tax boards)
Allocation based on % of 2019 total lodging tax collections
Individualized letters of available funds to each DMO
DMO Relief Fund Toolkit:
  ➔ Review of Federal Guidelines
  ➔ Online Application (includes attestation of compliance)
  ➔ Sample Tracking Form
  ➔ FAQ’s
  ➔ Partner Resource Directory
  ➔ Webinar Video (Attorney participated)

As of 9-16-2020 $4 million distributed
Wyoming’s DMO Relief Fund

- Advertising
- WOT Road Trip Co-Op
- Local Business Support; Main Street Partnership
- Event Production and Support
- Tourism/Recreation Business Incubator
- Visual Asset Production
- Safety – Signage, PPE, etc
- Citywide development
- Meetings/Groups
- Youtube travel series
Wyoming’s DMO Relief Fund
Wyoming’s DMO Relief Fund

Wyoming Office of Tourism with Visit Gillette-Wyoming
Sponsored by

While on your great western vacation through Wyoming, be sure to plan a day or two in Gillette and Wright. Right on I-80, it’s home to the world’s largest and oldest working bison ranch, over 70 restaurants, two craft breweries and Wyoming’s first brewery. Make your monumental trip through Wyoming surprising and authentic with a stop in Gillette and Wright. #BacktoYellowWY
DUANE PARRISH
Director
South Carolina Department of Parks, Recreation and Tourism
Recovering South Carolina’s Economy from COVID-19

Duane Parrish
Director
South Carolina Department of Parks, Recreation & Tourism
Original Request:

$10 million
Statewide Recovery Marketing
$30 million
Destination Specific Recovery Marketing Grants

South Carolina has contracted with Guidehouse to provide a third party determination of eligibility for CARES Act funding requests.

South Carolina has an $800 million surplus in State Funds.

The State Senate has included SCPRT’s request as non-recurring items in the State’s FY21 Budget.

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The SC House of Representatives has included $5 million in CARES Act funding for Statewide Recovery Marketing.

The House does NOT intend to take up the State Budget.

Given the uncertainty of outcome between the SC House and Senate, SCPRT has requested $20 million from the State’s Response Relief fund, a portion of CARES Act funds originally set aside for education.
Statewide Tourism Recovery Advertising Examples
Ensuring Eligible Use of Funds at the Community Level

The Destination Specific Marketing Program is a recurring state-funded grant program that requires a 2:1 private match to encourage public-private partnership for tourism marketing. The organizations that regularly participate in this program are the Myrtle Beach Area Chamber of Commerce, the Charleston Area CVB, the Hilton Head Island-Bluffton Chamber of Commerce, Experience Columbia SC, and Visit Greenville SC.

Destination Specific Partners were required to submit an application for CARES Act funding to SCPRT. These applications were submitted to Guidehouse, along with SCPRT’s request for Statewide Tourism Recovery Marketing funds.

The Application included a Funding Justification (explanation of economic need); Project Summary (explanation of proposed recovery marketing strategy); Budget Summary (explanation of proposed purchases); Sample Business Recovery Ad; Previous and Current Years’ Budgets.

Since Paid Advertising Placement is exempt from procurement in SC, use of CARES Act funds is limited to paid advertising purchases only. Creative, production or other associated costs are not eligible for CARES Act funding.

If SCPRT’s funding request is approved, these funds will be available to Destination Specific Partners as Grants. Funds will be made available on a reimbursement basis once proper documentation is provided:

- Invoice, Proof of Payment & Proof of Performance

In accordance with Treasury Department guidance, all advertising must visually demonstrate that it is for the purpose of tourism business recovery.

Grantees are required to use the SC is Open logo on all recovery advertising.

Only advertising purchased before December 31, 2020 is eligible for reimbursement.
BRIAN ROSS, CTA
President and CEO
Experience Columbus
LIVE FORWARD PLEDGE
Balance of traffic-driving with health and safety messages.
LIVE FORWARD LIVE PODCAST

• Launched Experience Columbus’ Live Forward Live podcast in partnership with iHeart media.

• Listeners get a behind-the-scenes look at popular attractions, uncover best-kept secrets for things to see and do, and meet the people who embody what it means to Live Forward.

• A branded Podcast Lounge was created in the Arena District Visitor’s Center.
LOCAL BROADCAST INTEGRATIONS

• Partnering with local broadcast networks to develop integrated advertising and news segments that highlight the people and places in Columbus who embody what it means to “Live Forward.”

• 360-integration with news, daytime, ad spot and digital features, increasing frequency and messaging to viewers.

• Opportunity to highlight a variety of local businesses, share health and safety messages and generate positive sentiment for Columbus.

• Using their production teams to craft custom spots.

• Leveraging station talent in news integrations.
Visit ustravel.org/ReliefResources for more information