White Paper on California Tourism

Submitted by:

California Travel and Tourism Commission
California Travel Association
California Hotel & Lodging Association
California Lodging Industry Association
California Association of Bed & Breakfast Inns
California Restaurant Association
California Retailers Association
California Attractions and Parks Association
California Ski Industry Association
Western Association of Convention
and Visitors Bureaus
California Alliance for Hospitality Jobs
California Association of RV Parks and
Campgrounds

June 2011

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EXECUTIVE SUMMARY

California is the number one travel destination in the United States. In 2010, approximately 200 million visitors generated $95.1 billion in spending on goods and services in the state. Visitor spending directly supported jobs for 873,000 Californians and resulted in $6.1 billion in direct state and local tax revenues (Source: Dean Runyan Associates).

The travel industry is important to the state for a number of reasons. First, it is largely a service industry, which has employment at its base. One in every nine jobs in the U.S. is affected either directly or indirectly by tourism, and 4.4% of all employment in California is directly supported by traveler spending (U.S. Travel Association; Dean Runyan Associates).

Second, it is an export industry, with most travel spending in a given county coming from outside that county, and with over one quarter of all spending in the state coming from non-resident travelers. Remarkably, the $17 billion spent in California in 2010 by international travelers alone was greater than the combined value of the state's top four product exports: civilian aircraft, non-industrial diamonds, computer parts and voice/image/data transmission equipment (Dean Runyan Associates; U.S. Census Bureau).

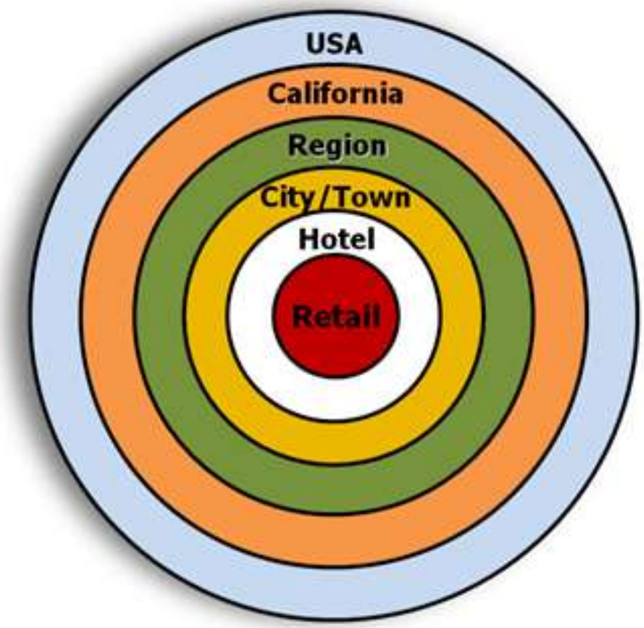
California annually generates more than $95.1 billion in direct travel spending into the economy, directly supports jobs for 873,000 Californians and generates $6.1 billion in direct state and local tax revenues.

Finally, travel is an industry that weathers economic recessions better than most, with an impact felt by a large cross-section of industry sectors including accommodations, transportation, attractions, restaurants and retail. While total non-farm employment in California was down 7.3% between September 2008 and September 2010, employment in the leisure and hospitality sector was down a much more moderate 4.9%. And, among the state's 13 major industry categories, leisure and hospitality is one of only four to have posted gains in employment between September 2009 and September 2010 (California Employment Development Department).

The California Tourism program is a public-private partnership that is tasked with supporting this vital industry. Under the California Business, Transportation and Housing Agency, California Tourism is a joint marketing venture of the California Travel and Tourism Commission (CTTC) and the California Division of Tourism. In 2010, California Tourism's advertising was seen by 46.2 million consumers globally, yielding 3.7 million visits and $5.1 billion in spending that otherwise would not have been realized in this state. A remarkable $236 to $1 return on investment illustrates the program's efficiency (Strategic Marketing and Research, Inc.; Rakuten Research).

Unique to the tourism program is its funding structure. Over 98% of its $50 million budget comes from approximately 5,400 private industry businesses in the form of annual assessments. This funding is stable in that assessments are governed by two state laws that require regular approval by the travel industry. The first, SB 256, was passed in 1995 and pertains to assessments on businesses in the following industry sectors: accommodations, attractions, non-rental car transportation, travel services, and restaurants and retail. The second, AB 2592, was passed in 2006 and pertains to assessment of the rental car industry. California's travel industry strongly supports California Tourism, approving mandated referendums in 2001 and 2007 by majorities of 84% and 91%, respectively.

Notably, the travel industry has gained unprecedented national visibility of late. In March 2010, President Obama created the country's first national tourism marketing program with the signing of the Travel Promotion Act (TPA). The act authorized the formation of the Corporation for Travel Promotion (CTP), whose mission is to market the U.S. as a tourism destination abroad. **Modeled after California's successful public-private partnership, CTP will direct a $200 million marketing plan with intentions of restoring some of the nation's lost share of global travel.** Furthermore, CTTC President and CEO Caroline Beteta was appointed to the Corporation's Board of Directors by the U.S. Commerce Department to help steer the new national program, and was elected Vice Chair by her peers in September.



Bull's-eye = Retail
Restaurants
Attractions

California, already host to over 18% of overseas travelers to the U.S., is well suited to benefit from these new national marketing and communications efforts at both statewide and local levels. Using a round target as an analogy, visitors who are influenced to consider the outermost ring – in this case the United States – can more easily be influenced to consider the next ring within – California, as demonstrated by the model above.

The same analogy applies for travel within the state, highlighting the importance of a strong state tourism office. A traveler who considers visiting California is more likely to consider travel to one of California's 12 regions, while a traveler to one of the regions is more likely to consider travel to one of that region's cities and towns, and then to ultimately patronize an individual business within that location. With coordinated marketing efforts by destination management organizations and individual businesses, the benefits of tourism are maximized for everyone.

CALIFORNIA TOURISM – ECONOMIC IMPACT

California annually generates more than $95.1 billion in direct travel spending into the economy, directly supports jobs for 873,000 Californians and generates $6.1 billion in direct state and local tax revenues. As of 2007, tourism was California's fifth largest export industry employer – following business, health services, manufacturing and finance – and employs more persons than agriculture, transportation, information and educational services. Notably, tourism was one of only four state industries to show positive growth in employment between September 2009 and September 2010, with the leisure and hospitality sector growing by 4,800 jobs.

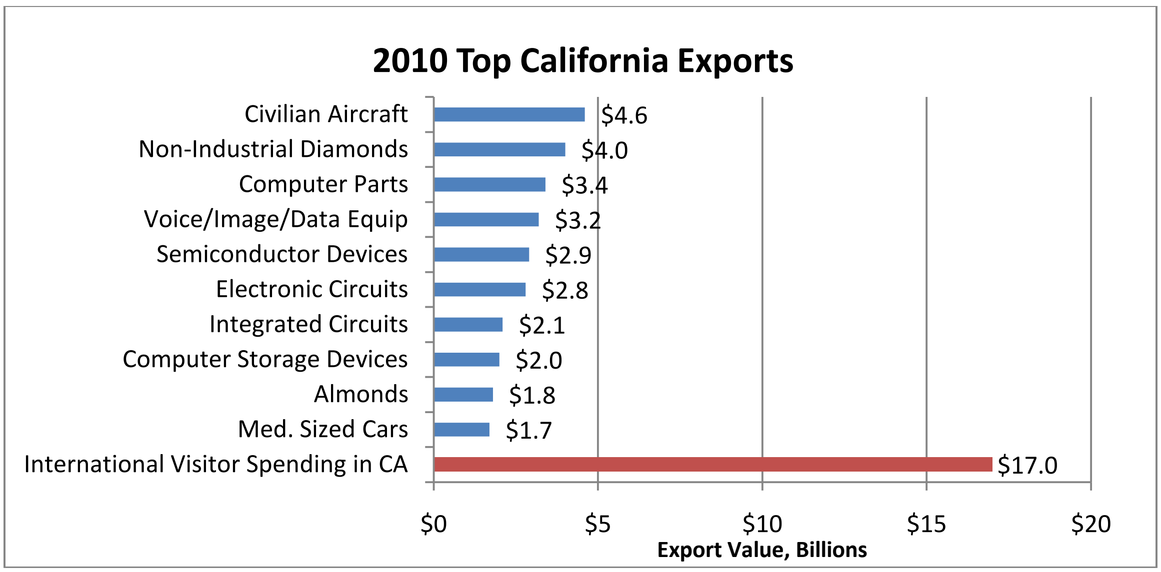
California's travel industry strongly supports California Tourism, approving mandated referendums in 2001 and 2007 by majorities of 84% and 91%, respectively.

Tourism creates jobs across a broad spectrum of skill sets and educational levels – a resource sorely needed during these tough times. Additionally, tourism offers employment across a huge variety of economic sectors – from hospitality to retail, restaurants and attractions, to rental cars and other transportation businesses. **Tourism is remarkably resilient, weathering down economies better than most other industries.** This provides much needed tax revenues at both local and state levels, and reduces unemployment levels around the state. Tourism unemployment is lower than other industries, too. Between 2008 and 2010, the average number of Californians employed dropped 7.3 percent, while in tourism, employment dropped by only 4.9 percent.

Labor news from the fourth quarter of 2010 and first quarter of 2011 reflects growth: In March 2011, leisure and hospitality employment grew 2.2% yr/yr, exceeding the 1.4% growth in employment seen for total non-agricultural employment in the state. Because tourism is largely a service industry, which means the work can only be done by employees (as opposed to machines) and the work cannot be outsourced to other states or countries, tourism spending in the state has more of a direct impact on jobs than in most other industries. For every $109,000 in tourism-related spending in the state, one Californian is employed.

In addition, **tourism fills a critical role in diversifying and stabilizing rural economies.** The tourism industry is the top employer in two of California's eight rural regions – Deserts and High Sierra – and ranks among the top four employers in six of the eight regions. Without the visitor revenues that support these vulnerable economies, preservation of California's natural icons, cultural resources, and historical landmarks and districts would be nearly impossible.

What cannot be emphasized enough is the value of tourism as an export industry. Non-resident tourism spending in California is comparable to the sales of exported California products because the end result is the same – California businesses are infused with currency originating from outside the state. The magnitude of tourism as an export is illustrated in the graph below. International visitor spending alone in California in 2010 was more than the combined value of the state's top four product exports.



Sources: U.S. Census Bureau; Dean Runyan Associates

THE CASE FOR STATEWIDE TOURISM MARKETING[1]

When buying goods manufactured in the United States, where a product is made is generally unimportant to consumers. Not so with tourism. The State *is* the product. Tourism is a commodity of California, no less so than agriculture. California's scenery, climate, people, cultural diversity, history, wildlife, landscape, highways and mystique are intrinsic qualities of this destination.

To be competitive hotels, attractions, restaurants, rental car companies and other travel businesses must focus their marketing efforts on communicating the advantages of their

[1] Source: California Task Force on Tourism Funding Report, 1993

specific products or services. They have limited resources to both promote themselves and build interest in a destination.

Destination marketing is the province of visitors bureaus and chambers of commerce in the case of cities and counties. It is the marketing efforts of these local and state tourism marketing organizations that build travel to those destinations. In a small state with a dominant city or tourism area, a local promotional entity may be able to represent travel to the state effectively, but in California the task is enormous. No one part of California can speak for the whole.

A state-managed tourism marketing program is absolutely essential. It takes the coordinating efforts, concern for equity and diplomacy of an organization such as the California Tourism program to bring together the state's diverse travel industry to jointly promote travel to California.

A case in point is World Travel Market (WTM), which is the world's largest English-speaking travel trade show. At WTM, travel buyers and planners throughout the world meet to arrange travel programs to various destinations. Massive displays promote travel to the world's nations, their provinces and states. France, for example, has a huge exhibit, with each of its provinces represented. From the United States, Florida, New York, California and other states erect attractive and expansive displays.

World Travel Market (WTM)

Individual travel companies also exhibit, but most find it more effective to do so under the coordinating umbrella of their state or nation than they do as individual properties. For example, Universal Studios exhibits as part of the California booth. Why? Because travel planners and travelers think of visiting destinations before they think of the individual facilities situated within a destination. That is, they look for Universal Studios within California.

Travel promotion involves a great deal of international relations, and a tourism promotion program sponsored by a government entity has a higher status in most countries than do programs sponsored by private companies or local destinations, even though the latter may have a larger promotional budget or be widely known. In Japan, for example, governmental officials are more highly respected and have freer access to opinion leaders than do many private companies.

Without the coordinating efforts of the California Tourism program, California's travel destinations and tourism industry would be at a competitive disadvantage to other states and destinations. Domestically, Hawaii, Florida, Texas, Illinois, Las Vegas, New York City and Orlando all have substantial budgets to market themselves to potential travelers. Internationally, Mexico, Canada, Australia and numerous other destinations finance expensive and extensive marketing programs designed to attract visitors, often in direct competition to California. One way to look at this is that a vacationer attracted to one of these destinations is attracted away from California.

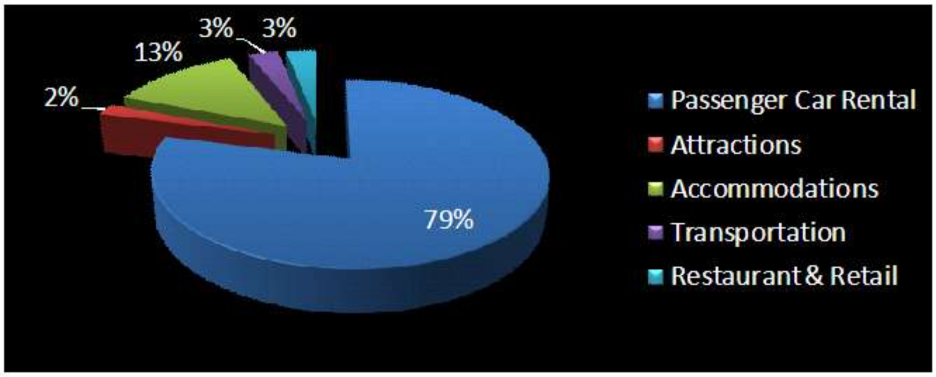
The argument has been made that visitors will come to a city or state regardless of marketing efforts, and some have questioned the value of investing in city or state tourism marketing programs. In answer to this line of thinking is the now famous "Case of Colorado." In 1993, Colorado's $13 million tourism budget was eliminated, leaving it as the only state in the U.S. without tourism funding. A 1999 research study showed that Colorado's share of domestic pleasure travel dropped 30% between 1993 and 1997, and that it fell from first place in the summer resort category in 1993 to 17th place in 1997. The state moved from a national fly-in destination to a primarily regional drive market, costing Colorado residents approximately $2.4 billion in tourism revenue and $134 million in taxes annually.

EXPANDING CALIFORNIA TOURISM MARKETING

Until the early 1990s, California's tourism industry was in disarray and the state was steadily losing market share. With a state-funded tourism marketing budget of $7.2 million in 1992, California lacked the ability to compete with destinations that had much larger tourism marketing budgets. To bring California up to a competitive spending level, the industry message to the legislature was "Tourism is vital and the state needs a strong program."

In 1995, SB 256 moved through the Legislature by huge margins and was signed into law that same year. This provided for the industry-wide vote in 1997, which passed with strong support and gave the California Travel and Tourism Commission legal standing. With this new program, a "match-match" system was established whereby the State of California and businesses that benefitted from tourism would all contribute to a "tourism marketing pot." This public-private partnership doubled California Tourism's marketing budget from approximately $7 million to $14 million, allowing California to more effectively compete with other well-funded destinations.

California Tourism Investment[2]



By 1998, CTTC began work on this new industry-led program. A Marketing Advisory Committee was formed to reach out to all interested players and to guide California's promotional programs. The 37-member Commission, composed of industry leaders from every segment (Accommodations, Restaurants and Retail, Attractions and Recreation, Transportation and Travel Services), would meet three times a year to approve the marketing plan and chart the overall strategic course for California Tourism.

Among other things, **doubling the budget from approximately $7 million to $14 million allowed California to double its advertising campaign.** Impressive results included the 2001 national advertising campaign that generated an additional 3.6 million visitors, $2.6 billion in new travel and tourism spending, and $91.5 million in new tax revenues.

Increased funding also allowed California to strengthen the international marketing efforts of five overseas trade offices and to open three new overseas public relations offices. Additionally, the increased funds were the catalyst for the revolutionary *Adventures in Wild California* IMAX film – the first of its kind from a state tourism office. CTTC seed funding, combined with industry partnership, helped mobilize the IMAX film into a $35 million marketing endeavor that would eventually play in 65 theaters on five continents and generate 10 billion worldwide gross impressions on California. Such programs spoke to the power of partnership.

In 2006, Governor Schwarzenegger signed AB 2592, allocating $50 million to the California Tourism program starting in 2007-08. **The increases in funding that enabled a stronger advertising campaign and innovative programs brought to an end the decade-long decline of domestic market share.** In 1998, California's domestic share of the tourism market was 9.7%. Since funding contributions from private industry were introduced, California's domestic share of market has increased to 11.1% in 2009.

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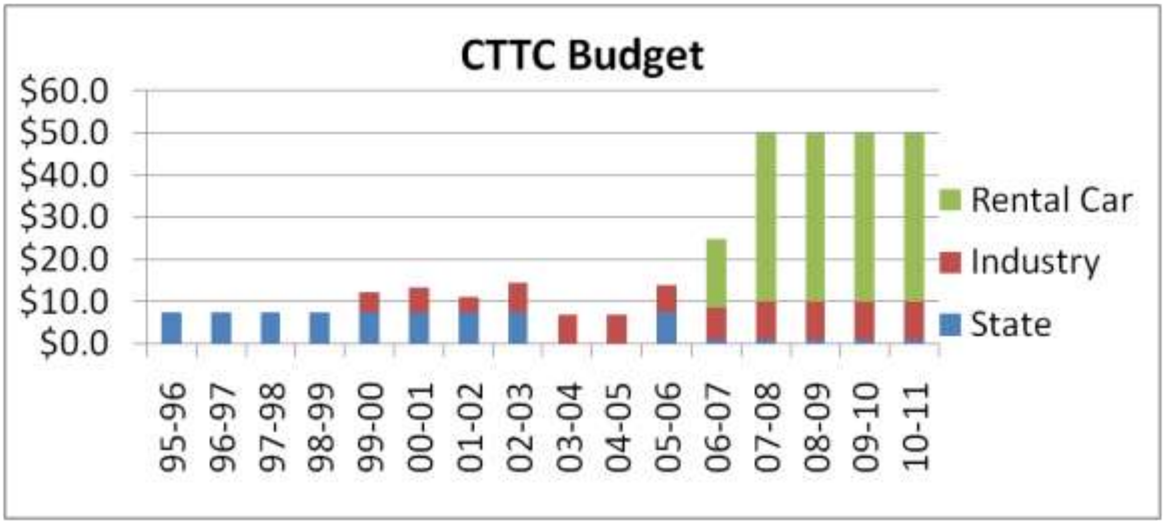
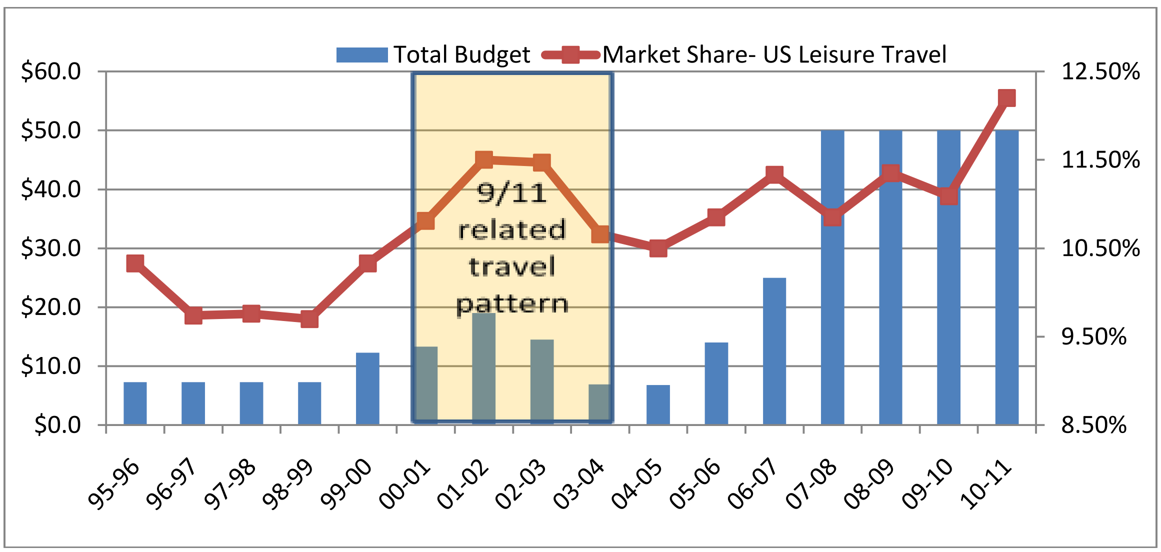
[2] $939,000 is from the State of California general fund.





There is a correlation between budget and share…

- Market share increased with rising domestic budgets in 05/06 and 06/07.
- Much of the additional funding in 07/08 and beyond was dedicated to international marketing.
- Many environmental factors influence share as well, such as 9/11 and the current recessionary economy.

Results like these led to strong industry-wide support for CTTC and the private-public partnership with the state. In fact, in 2001, just weeks after the 9/11 terrorist acts, the industry voted by a convincing 84% to renew and continue CTTC. Additionally, in 2007, the industry again renewed CTTC – this time by 91%.

THE COMPETITIVE SET

In January 2003, faced with a $34 billion budget deficit, Governor Davis called for the elimination of the California Division of Tourism and $7.3 million in state tourism funding. California dropped from 14th to 31st in the nation in overall state spending/ investment to promote tourism and attract visitors.[3] During this period, California was the only state in the nation not investing public funds to develop its tourism economy, the largest in the nation.

Today, California has the second-largest state tourism promotion budget in the U.S., a figure much more in line with its stature as the top travel destination in the country. Generating $95.1billion in visitor spending and $6.1 billion in tax revenues, California's tourism economy is nearly one and one-half times that of Florida, nearly twice as large as New York and Texas, and more than six times larger than the Hawaiian tourism economy.

On the next page is the most current data available from the U.S. Travel Association on investments made by U.S. destinations actively promoting tourism to benefit their economies in the way of visitor spending, jobs and tax revenues.

As is evident in the farthest right-hand column, most state tourism budgets have declined in the last year. The main reason is that most tourism marketing dollars come from state general funds, which have shrunk as a result of the global economic crisis. With CTTC's reliance on funding from the travel industry at large, California is one of only a handful of states that saw its budget increase in 2010. As such, California is positioned to not only maintain its share of domestic and international travel, but to make gains in comparison to states that have lost funding.

Annual Percentage Change in State Tourism Office Total Budgets, 2009-2010 [4]

State	Actual FY 08-09 Budget	Projected FY 09-10 Budget	Annual % Change
Hawaii	$70,120,226	$71,810,000	2.4%
California*	$48,371,471	$50,037,000	3.4%
Illinois	$48,544,334	$48,948,259	0.8%
Texas	$37,490,249	$34,338,111	-8.4%
Florida	$40,025,907	$29,354,424	-26.7%
Michigan	$29,725,000	$18,675,000	-37.2%
Colorado	$23,317,839	$18,250,243	-21.7%
New Mexico	$17,928,247	$17,430,200	-2.8%
Missouri	$19,970,505	$16,672,721	-16.5%
Louisiana	$19,178,947	$15,907,353	-17.1%

[3] 2009-2010 U.S. Travel Association
[4] 2009-2010 U.S. Travel Association

Arkansas	**$14,788,922**	**$15,719,344**	**6.3%**
South Carolina	**$15,254,811**	**$14,822,179**	**-2.8%**
Virginia	**$12,651,675**	**$14,713,139**	**16.3%**
Kentucky	**$6,757,400**	**$14,175,770**	**109.8%**
Arizona	**$15,949,507**	**$13,818,124**	**-13.4%**
Wisconsin	**$15,147,900**	**$13,092,000**	**-13.6%**
Alabama	**$10,584,283**	**$13,081,978**	**23.6%**
Utah	**$14,287,800**	**$12,392,300**	**-13.3%**
Alaska	**$12,283,000**	**$12,281,014**	**0.0%**
Tennessee	**$12,220,900**	**$12,092,500**	**-1.1%**
South Dakota	**$11,700,968**	**$11,375,928**	**-2.8%**
Pennsylvania	**$29,787,700**	**$11,246,000**	**-62.2%**
Wyoming	**$12,741,650**	**$10,813,577**	**-15.1%**
North Carolina	**$9,819,822**	**$10,441,211**	**6.3%**
Oregon	**$12,393,225**	**$10,213,176**	**-17.6%**
Nevada	**$13,852,625**	**$9,963,176**	**-28.1%**
Montana	**$9,088,423**	**$9,290,121**	**2.2%**
Minnesota	**$10,073,466**	**$9,249,200**	**-8.2%**
Oklahoma	**$10,207,752**	**$9,182,931**	**-10.0%**
New Jersey	**$11,869,000**	**$9,000,000**	**-24.2%**
Maine	**$8,125,000**	**$8,125,000**	**0.0%**
Georgia	**$9,604,955**	**$8,036,478**	**-16.3%**
New York	**$15,000,000**	**$8,000,000**	**-46.7%**
Massachusetts	**$12,593,783**	**$7,741,987**	**-38.5%**
West Virginia	**$7,942,683**	**$7,606,448**	**-4.2%**
Maryland	**$8,626,244**	**$7,061,205**	**-18.1%**
Idaho	**$7,041,584**	**$6,970,168**	**-1.0%**
Washington	**$6,800,000**	**$6,800,000**	**0.0%**
Mississippi	**$6,617,659**	**$6,569,601**	**-0.7%**
New Hampshire	**$5,322,736**	**$6,371,591**	**19.7%**
Nebraska	**$6,096,442**	**$5,476,276**	**-10.2%**
Ohio	**$7,568,166**	**$5,400,000**	**-28.6%**
North Dakota	**$3,219,759**	**$4,626,937**	**43.7%**
Iowa	**$5,092,139**	**$3,947,515**	**-22.5%**
Kansas	**$3,940,999**	**$3,358,388**	**-14.8%**
Vermont	**$3,129,119**	**$3,272,075**	**4.6%**
Indiana	**$5,152,763**	**$2,758,716**	**-46.5%**
Delaware	**$1,622,800**	**$1,572,800**	**-3.1%**
Connecticut	**$5,726,183**	**$981,538**	**-82.9%**
Rhode Island	**No Data**	**No Data**	
TOTAL	**$745,356,569**	**$663,063,702**	**-11.0%**
AVERAGE	**$15,211,359**	**$13,531,912**	
MEDIAN	**$11,869,000**	**$10,213,176**	

*Excludes Welcome Center and film division budgets. Total combines personnel services; other administrative costs; advertising; sales promotion; printing and production; inquiry fulfillment; press and public relations; research; industry relations; grant programs; website development/maintenance; cooperative marketing dollar (state/territory contribution only); and other.

CTTC CURRENT PROGRAM OF WORK

Amgen Tour of California

CTTC's unique public-private marketing partnership not only has allowed California Tourism to retain a competitive edge in the global marketplace, but also to create the most progressive marketing program in the nation. California Tourism's marketing strategies are unlike any other state – innovative, highly creative and very popular. Unique partnerships, including with BBC World to air the "Cutting Edge California" TV series, and with the Amgen Tour of California, as well as the inspiring, soon-to-be-released "Dreamland" film series (produced by an award-winning documentary group), all showcase CTTC's outside-the-box programming.

CTTC markets the state both domestically and internationally through a variety of media, with a strong focus on brand advertising and industry participation. Advertising in television, print and other media keep California "top of mind" as consumers make their vacation decision. To see CTTC's newest TV ad, starring Betty White, Kim Kardashian, the Jonas Brothers and more, go to www.visitcalifornia.com/misconceptions. In 2010, CTTC's global brand advertising in the U.S., Canada, the U.K. and Japan, produced:[5]

- INCREMENTAL REVENUE: $5.1 billion annual average
- AWARENESS: 46.2 million households
- INCREMENTAL TRIPS: 3.7 million annual average
- RETURN ON INVESTMENT: Average of $236 to $1

With increased marketing funds, **CTTC is able to dedicate significant energy and funds toward the lucrative international sphere**, maintaining California's popularity in some countries, and working to capture emerging markets in others. International travelers spend more, stay longer, and visit year-round – providing a valuable revenue source during off-peak seasons. In 2010, international travelers generated 18% of tourism-related spending in the state. CTTC has expanded its suite of international offices and now has market representation in 12 countries, including the U.K., Japan, Germany, Australia, Mexico, South Korea, China, India, Italy, France, Brazil and Scandinavia, with

[5] These numbers are highly conservative, as they only represent the brand advertising program, which represents 60% of CTTC's overall budget. Programming in other areas make up the other 40% and have significant impacts on tourism, but are not as easily measured.

additional dedicated efforts in Canada. CTTC also has 14 international Web sites, and produces 11 international visitor's guides.

CTTC's focus on promoting California extends through all its programmatic elements, including communications. In the last five years, the communications program has initiated contact with, or responded to, over 11,000 media – resulting in California coverage with a combined estimated media value of $255.7 million. CTTC has also played a large role in crisis communications, ranging from 9/11 to wildfires and flooding.

In addition, CTTC's travel trade program works to develop and implement a wide range of marketing activities to reach tour operators, travel agents, incentive organizers, meeting planners and group travel planners, while also exhibiting at over 25 major travel trade shows (domestically and internationally), organizing key sales missions and conducting educational seminars/workshops.

CTTC's research program maintains annual reports that detail the impact of travel and tourism on California. The established research base created by these annual reports enables California Tourism to track the massive impact of travel and tourism on California's economy. California Tourism also directs the California Welcome Center (CWC) program, which serves as a model for welcome centers across the state. These 20 CWCs, located across California, service over 1 million California visitors each year. For more information on all CTTC programming, read the *Year in Review* annual report at http://tourism.visitcalifornia.com/YIR.

CALIFORNIA TOURISM – MOVING FORWARD

CTTC recently revised its Five-Year Strategic Plan, originally written to plan the California Tourism program of work from 2007 to 2013. CTTC revised this plan because of major environmental shifts and threats to the tourism economy that have arisen in the last five years. With growth in the technology sector and exciting developments on a national level, particularly with the national marketing program put into place by the Travel Promotion Act, California Tourism's industry leadership requested that CTTC begin the process of rewriting the five-year plan. As part of the plan, CTTC will be integrating its marketing efforts into those on the national level conducted by the new Corporation for Travel Promotion. **The CTP is led by a group of national tourism industry leaders, including CTTC President and CEO Caroline Beteta – one of only two state tourism officials on the board of directors, as well as one of its Vice Chairs.**

CONCLUSION

The travel and tourism industry is vital to California's survival, and the revival of the local, state and national economy. This $95.1 billion industry directly supports 873,000 jobs in California – a critical factor as companies across the United States continue to downsize. The California Tourism program continues to strive to do what the individual members of California's travel and tourism industry cannot do for themselves – provide a platform to promote California leisure travel nationally and internationally.

RESOURCES

To learn more about California Tourism, visit http://tourism.visitcalifornia.com. You will find a variety of research, publications and other information, including:

- **Year in Review** – CTTC's annual report.
  http://tourism.visitcalifornia.com/YIR
- **Strategic Marketing Plan** – CTTC's revised 2011-2016 Five-Year Strategic Plan: Brand Enrichment.
  http://tourism.visitcalifornia.com/Industry/Publications/StrategicMarketingPlans/
- **Key Research** – Information on California statistics and trends, facts and figures, visitation and spending by county and more.
  http://tourism.visitcalifornia.com/Research
    - *California Travel Impacts by County, 1992-2009*
    - *California Domestic Travel Report, 2009*
    - *Overseas and Mexican Visitors to California, 2009*
    - *California Travel Forecast, April, 2011*
    - *CTTC Domestic Advertising Total 2010 ROI Research Summary*
- **Annual Work Plans** – Program of work for each department, created to direct CTTC efforts for each fiscal year.
  http://tourism.visitcalifornia.com/Publications/1112Workplans/

Attachment – California Tourism Chronology [6]

1959	GOVERNOR EDMUND G "PAT" BROWN (D)
1965	Assembly Bill 27 establishes the Office of Tourism and Visitor Services (OTVS)
1965-66	The 15-member Office of Tourism Advisory Commission meets and establishes the OTVS.
1966	The California Tourism and Visitor Services Commission (CTVSC) meets
1965-66	Budget: $98,145
1966-68	CTVSC Chair, Carlton Skinner, Skinner & Co.
1966-67	Budget: $100,000 – anticipated only as a budget to get underway California Tourism Commission proposes $210,000 budget for 1967-68
1967-68	Budget: $100,000
1966-67	Director, California Office of Tourism and Visitor Services, Morris Ford
1967	GOVERNOR RONALD REAGAN (R)
1968	Director, California Office of Tourism and Visitor Services, Jan McCoy
1968-69	CTVSC Chair, Bill Lane, Sunset Magazine
1968	California Department of Commerce is established within the California Agricultural Services Agency. OTVS is designated as a function within the Department.
1968	OTVS produces the State's first color brochure as a result of donations of photography, design and printing provided by renowned photographers, ad agencies and PSA airlines (printing).
1968	Budget: $100,000
1969	Bill Lane resigns as chair of the CTVSC due to dissatisfaction over the indifference of senior Reagan administration appointees over adequately funding the OTVS.
1970	CTVSC Chair, Robert F. Smith, Phillips Ramsey
1970	State legislature reduces the budget to $41,000. California drops to "the bottom of the list" of allocations for State destination marketing
1971	SB 1407 creates the California Economic Development Commission which replaces the State Commission for Tourism and Visitor Services, the Industry and World Trade Commission and the Maritime Commission.
1971	Department of Commerce is transferred to the Lt. Governor's office and is renamed the California Division of Tourism
1971	Budget: Not determined
1971	Economic Development Commission (EDC) Chair, Lt. Gov. Ed Reinecke
1971	Director, California Division of Tourism, Bart Christensen
1972	Budget: Not determined
1973	Budget: Not determined
1974	Director, California Division of Tourism, Gerald Baker
1974	Budget: Not determined
1975	GOVERNOR JERRY BROWN (D)
1975	Funds for the Department of Commerce cease. Economic Development Commission and Division of Tourism are disbanded.

[6] California Travel Industry Association (CalTIA) "Where Do We Go from Here?," September 2003

1975-77	Mail sent to the former Division of Tourism is stamped "Office Abolished, Return to Sender"
1975	Budget: $0
1976	Budget: $0
1977	Budget: $0
1977	SB 28, The Holmdahl, Lockyer, Raines Economic Development Act of 1977 establishes the Department of Economic and Business Development within the Business, Transportation and Housing Agency and the Office of Tourism and Visitor Services is recreated.
1977	Clean-up legislation renames the Office of Tourism and Visitor Services, the Office of Tourism
1978-81	Director, California Office of Tourism, Rick Lawrance
1978-79	Budget: $59,000
1979-80	Budget: $150,000 (estimated)
1980-81	Budget: $150,000 (estimated)
1981	CalTIA is created and incorporated on the suggestion of Bob Aronin, Norman Clark and other industry leaders
1981-83	Director, California Office of Tourism, Barbara Klein
1981-82	Budget: $500,000 (estimated)
1982-83	Budget: $500,000 (estimated)
1983	GOVERNOR GEORGE DEUKMEJIAN (R)
1984	California Tourism Policy Act – articulates the importance of tourism to California and defines a structure for State tourism marketing
1984 -91	Director, California Office of Tourism, Flo Snyder
1984-85	Budget: $5.9 million
1985-86	Budget: $6 million
1986-87	Budget: $7.9 million
1987-88	Budget: $7.8 million
1988-89	Budget: $5.5 million (the State tourism budget is used as a bargaining chip to coerce support from the governor for other programs)
1989-90	Budget: $6.4 million
1990-91	Budget: $8.4 million
1990	CalTIA drafts a tourism platform that its governmental affairs committee presents to gubernatorial candidates Dianne Feinstein (D) and Pete Wilson (R). The platform seeks the governor's appointment of industry professionals to the commission and appointment of an industry marketing professional to direct the Office of Tourism, among its key points.
1991	GOVERNOR PETE WILSON (R)
1991-92	Budget: $3.7 million
1991	California Tourism Commission Chair, Julie Meier Wright
1991	Interim Director, California Office of Tourism, Caroline Beteta
1992	Director, California Office of Tourism, John Poimiroo
1992	John Poimiroo proposes the concept of using a marketing order similar to the State's agricultural marketing orders as a means of funding the State tourism marketing and outlines a process to gain industry support and legislative approval

1992-93	Budget: $7.2 million
1993	California Trade and Commerce Agency is established; Office of Tourism is renamed the Division of Tourism; Director's position is upgraded to Deputy Secretary for Tourism; Assistant Director's position is upgraded to Assistant Secretary for Tourism
1993	Governor Pete Wilson issues an Executive Order establishing the Governor's Task Force on Tourism Funding
1993	Governor's Task Force on Tourism Funding submits a recommendation to Governor Wilson that legislation be written to establish a tourism marketing order
1993-94	Budget: $7.7 million
1993-98	Director, California Division of Tourism; Deputy Secretary for Tourism, California Trade and Commerce Agency, John Poimiroo
1994-95	Budget: $7.4 million SB 1479 Maddy, California Tourism Marketing Act (CTMA) [Failed]
1995-96	Budget: $7.3 million SB 256 Johnston, California Tourism Marketing Act [Approved]
1996	Tourism Selection Committee Convenes, issues report recommending structure of referendum
1996-97	Budget: $7.3 million SB 1398 Johnston, California Tourism Marketing Act, cleanup legislation [approved]
1997	CTMA Public Meetings CTMA First Referendum is held and is approved by 69.31% of voting businesses
1997-98	Budget: $7.3 million
1998-99	Budget: $7.3 million
1999	GOVERNOR GRAY DAVIS (D)
1999-00	Budget: $7.3 million State; $5 million Industry
1999	Executive Director, California Travel & Tourism Commission (CTTC); Deputy Secretary for Tourism, California Trade and Commerce Agency, Caroline Beteta
1999	CTTC Chair, Lon Hatamiya
2000-01	Budget: $7.3 million State; $6 million Industry
2001-02	Budget: $7.3 million State; $6.7 million Industry; plus a supplemental allocation of $8 million following 9/11
2001	Second Referendum is held, passes with 84% approval
2002-03	Budget: $7.3 million State; $7.2 million Industry
2002	California Tourism Marketing Act, clean-up legislation
2003	Governor Gray Davis initially proposes elimination of funding for the California Division of Tourism. At the May revision, the governor adds $2.5 million for tourism marketing and $.9 million for assessment collection (reimbursed from Industry contributions)
2003-04	Budget: $836,000 for assessment collection only. No marketing dollars.
2003	GOVERNOR ARNOLD SCHWARZENEGGER (R)
2004	CTTC Chair: Sunne Wright McPeak
2005-06	Governor Schwarzenegger restores $7.3 million in state funding to California Tourism.

2006	Governor Schwarzenegger signs AB 2592 into law, allowing the tourism industry to collect additional assessments on passenger car rentals. This landmark legislation allocated $50 million for tourism marketing, allowing California Tourism to greatly expand its marketing programs. At the same time, state funding dropped to $1 million.
2006	California Tourism meets its 2010 domestic market share goals five years ahead of schedule, finally returning the state to pre-9/11 share levels.
2007	CTTC Chair: Dale Bonner
2007	California Tourism begins operating with a historic $50 million budget, due to the landmark signing of AB 2592 by Governor Schwarzenegger.
2007	Tourism Marketing Act was renewed with a 91% approval vote.
2008	Across-the-board reductions to the General Fund dropped state funding to $939,000, where it has remained.
2010	Travel Promotion Act signed into law, authorizing first national tourism marketing program.
2010	Board of Directors for national Corporation for Travel Promotion appointed by U.S. Commerce Secretary Gary Locke, including CTTC President and CEO Caroline Beteta.
2011	GOVERNOR JERRY BROWN (D)