



July 13, 2020

The Honorable Gavin Newsom, Governor of California  
Ms. Ann O’Leary, Chief of Staff; Co-Chair, Task Force on Business and Jobs Recovery  
Mr. Tom Steyer, Co-Chair, Task Force on Business and Jobs Recovery  
State Capitol, 1<sup>st</sup> Floor  
Sacramento, CA 95814

Dear Governor Newsom & Chairs:

Thank you for your bold leadership in the face of this global pandemic and ensuring that California is prepared to meet the complex and ever-evolving challenges presented by this pandemic, including convening this taskforce which will advance solutions for business and job recovery.

Unfortunately, as you know, the coronavirus has had an especially devastating impact on California’s travel and tourism industry. This is why we support the request of a broad coalition of advocates—ranging from labor, tourism, hospitality, and local chambers—to respectfully request a one-time, emergency allocation of \$45 million in this year’s budget for Visit California. This funding will enable them to execute a marketing campaign that will jump start quick recovery of this key segment of our economy once it is safe to travel.

As you know, the unemployment rate is projected to reach 24.5 percent in the second quarter of 2020, meaning that one in four California workers will be out of work. The number of jobs in the leisure and hospitality sector is expected to crater and drop by 53 percent in the first two quarters of 2020 or by around 1.1 million jobs. While job losses have occurred in nearly every sector of the economy, they have been most acute in sectors not fully able to telework such as hospitality and leisure. Lower-wage workers have disproportionately borne the impact of job losses. Not only that, but for every tourism job lost, a ripple effect occurs in the ecosystem that supports the travel industry. Every three travel industry jobs support another two California jobs.

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July 13, 2020  
Page 2

Prior to the coronavirus, California's travel industry consistently returned remarkable results for the state's economy, driven by the leadership and innovative marketing programs of Visit California. In 2019, more than 1.2 million California workers earned their livelihoods at travel businesses, and visitor spending injected \$145 billion directly into the state, generating \$12.3 billion in state and local tax revenues.

Independent research firm Oxford Economics estimates California will lose \$72.8 billion in visitor spending this year alone, drying up one of the state's most vital tax sources. Every dollar spent by a traveler powers our state's local communities many times over. State and local governments will lose \$6.1 billion in tax revenues that fund vital local services like police, fire, public health, and public education. The taxes paid by hotel and vacation rental guests directly power local communities across California—46 cities rely on Transient Occupancy Tax (TOT) revenue to cover at least 30% of their overall general fund expenditures.

California's success as a world class tourism attraction is due in large part to Visit California—their programs delivered \$14.8 billion of revenue to the state's economy in 2019. However, they are funded by private businesses through a self-imposed assessment, which means the closure of the state's tourism industry has effectively reduced Visit California's revenue to zero. This has forced the organization to cancel all existing marketing programs and dramatically reduce staff.

A \$45 million, one-time emergency allocation to Visit California will fund marketing programs to drive visitor spending and get California back to work quickly once the stay-at-home order is lifted. This level of campaign, paired with compelling creative, would deliver \$10.3 billion in revenue to California businesses and \$865 million in additional state and local tax revenue.

Tourism has proven itself to be one of the fastest industries to recover in the aftermath of a crisis. This was the case post-9/11, when Governor Gray Davis made a one-time allocation to Visit California that fueled a multi-tiered, in-state/drive market campaign designed to get Californians to rediscover our great state. The campaign was successful, and in-state travel jumped 10% between 2001-2002.

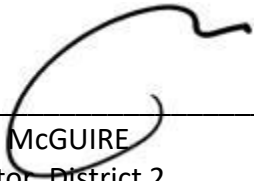
While this innovative plan requires some investment, it is much less than the \$836 million a month it will cost for unemployment benefits for displaced tourism workers. It is critically important that we equip Visit California so they can accelerate California's economic recovery. This strategy will provide a ripple effect that moves beyond the travel and tourism sector to infuse money back into our communities.

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July 13, 2020  
Page 3

We believe this allocation will be an impactful down payment to help California recover from the dire economic impact of the coronavirus once it is safe to travel again. Thank you again for the consideration of this request.

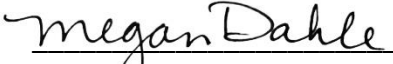
We look forward to working with you all in the weeks to come.

Warmest Regards,




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MIKE MCGUIRE  
Senator, District 2



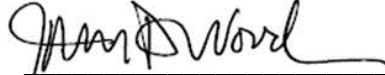
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MEGAN DAHLE  
Assemblymember, District 1




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BRIAN DAHLE  
Senator, District 1



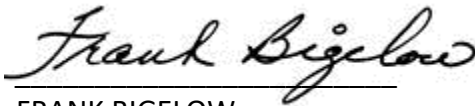
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JIM WOOD  
Assemblymember, District 2



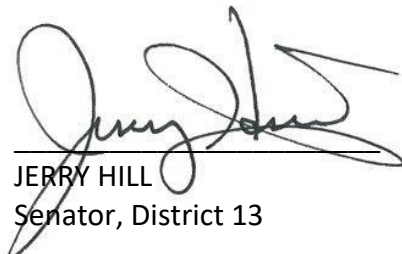
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BILL DODD  
Senator, District 3



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FRANK BIGELOW  
Assemblymember, District 5




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JERRY HILL  
Senator, District 13



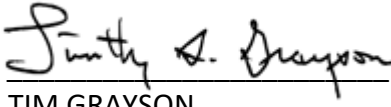
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MARC LEVINE  
Assemblymember, District 10



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MELISSA HURTADO  
Senator, District 14

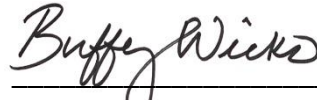


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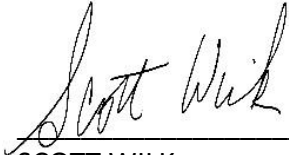
TIM GRAYSON  
Assemblymember, District 14



JIM BEALL  
Senator, District 15



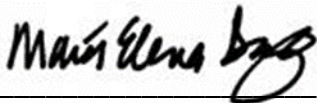
BUFFY WICKS  
Assemblymember, District 15



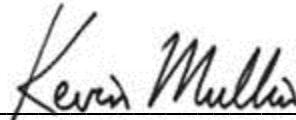
SCOTT WILK  
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Assemblymember, District 17



MARIA ELENA DURAZO  
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KEVIN MULLIN  
Assemblymember, District 22



BENJAMIN ALLEN  
Senator, District 26



KANSEN CHU  
Assemblymember, District 25



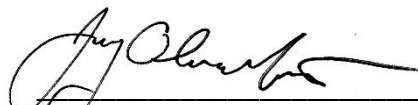
BOB ARCHULETA  
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ROBERT RIVAS  
Assemblymember, District 30



BRIAN JONES  
Senator, District 38



JAY OBERNOLTE  
Assemblymember, District 33



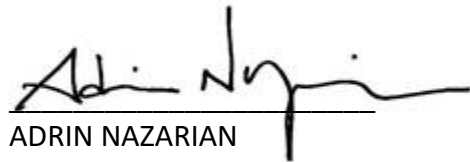
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JORDAN CUNNINGHAM  
Senator, District 35



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LUZ RIVAS  
Assemblymember, District 39



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ADRIN NAZARIAN  
Assemblymember, District 46



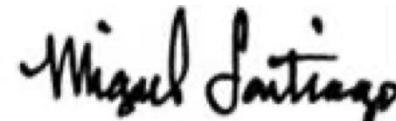
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BLANCO RUBIO  
Assemblymember, District 48



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RICHARD BLOOM  
Assemblymember, District 50



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MIGUEL SANTIAGO  
Assemblymember, District 53



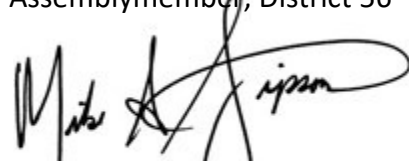
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EDUARDO GARCIA  
Assemblymember, District 56



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IAN CALDERON  
Assemblymember, District 57



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MIKE GIPSON  
Assemblymember, District 64



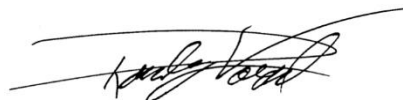
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SHARON QUIRK-SILVA  
Assemblymember, District 65



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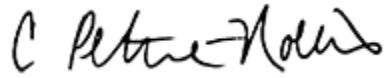
PATRICK O'DONNELL  
Assemblymember, District 70



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RANDY VOEPEL  
Assemblymember, District 71

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July 13, 2020  
Page 6



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COTTIE PETRIE-NORRIS  
Assemblymember, District 74



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TODD GLORIA  
Assemblymember, District 78