

TOURISM RECEIVE INCREASE IN FY 2020 FOR NEWLY ENACTED FESTIVAL DIVISION

Date : July 19, 2019

ST. CROIX--The Committee on Finance, chaired by Senator Kurt Vialet in its afternoon budget hearing on Thursday at the UVI Great Hall, St. Croix, took testimony from the Department of Tourism (DOT) regarding its FY 2020 Budget request.

Joseph Boschulte, Commissioner of DOT said to support the initiatives and fiduciary responsibilities of the department, the FY 2020 budget request is \$31,857,622 which include the General Fund for \$3,472,622 and the Tourism Advertising Revolving Fund in the amount of \$28,385,000.

According to Boschulte, this budget category funding is requested for 43 full-time positions in the amount of \$2,455,913. Of those positions, 16 are newly created for the recently enacted Festival Division. He added that \$1,385,000 is to be used to market and promote the Territory's three major carnival celebrations.

The DOT Commissioner pointed out that of the \$1,385,000, the Crucian Christmas Festival will be allotted \$520,000; the Virgin Islands Carnival in St. Thomas at \$545,000 and the St. John Festival at \$320,000. Additionally, \$1 Million will go towards developing and promoting Sports Tourism.

Boschulte told the Committee that accordance with Legislative Acts, the fund also provides financial support to other agencies such as \$150,000 for the Bureau of Economic Research; \$1,000,000-Department of Agriculture; \$850,000-VI Police Department;

\$500,000-Department of Education; \$500,000-Sports, Parks and Recreation; \$300,000-Department of Public Works; and \$300,000-VI Waste Management Authority.

He added that non-appropriation funding in the amount of \$26 million has been earmarked for the DOT's day-to-day operations, to exclude marketing and promotion of the Territory as a premier tourism destination.

Regarding hotels, the Commissioner said, the recovery from the devastating blows our tourism industry received from the two Category 5 hurricanes, has been gradual, but encouraging. He pointed out that currently, most of our traditional hotel accommodations are still undergoing reconstruction and repairs.

According to him several major properties that anticipated reopening by the end of the calendar year 2019, are delayed through 2020, negatively impacting the collection of hotel room tax revenues. He added that the VI Bureau of Internal Revenue reported Hotel Room Tax collection, as of April 2019 amounted to \$14,512,892, up from \$9,057,209 for the same period in 2018.

In the matter of the cruise lines, the Commissioner told the Committee that they are confident that they will witness continued improvement in this segment. So far, he added, for FY 2019, St. Thomas has received a total of 619,610 passengers versus 573,466 passengers arriving during the same period in 2018. St. Croix received 30,820 passengers versus 48,836 passengers in 2018.

Speaking of accomplishments, Boschulte said, one key accomplishment is that there have been 971 media placements with over 2.8 billion impressions and an advertising value

of more that \$218 million between October 2018 and June 2019. This represents, he added, an increase in year-over-year Public Relations Value of 1,778 percent.

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