

**Testimony of Jeffrey E. Muthersbaugh, owner of the Nehemiah Brainerd House Bed & Breakfast, member of the board of directors for the Central Regional Tourism District, member of the board of Trustees (and former Chairman) for the CT Trust for Historic Preservation, Chairman of the CT Bed & Breakfast Association and Board Member and Vice President of the CT Lodging Association, in support of Regional Tourism District Funding and DECD/Tourism Statewide Marketing Funding to the Appropriations Committee- February 10, 2016**

Dear Senator Bye, Representative Walker and members of the Appropriations Committee,

I am testifying today to express my opposition to the elimination of funding for the tourism districts and the drastic cuts that have been proposed to the tourism budget.

There is no question that the State of Connecticut has a budget crisis and I understand that cut backs need to be made in certain areas. However, there are areas where government is necessary and instances where programs actually help generate more dollars than are spent and also create jobs.

As Chairman of the CT Bed & Breakfast Association and a member of the Board and Vice President of the CT Lodging Association, I know that in 2014, 4.7 percent of all jobs in the state were directly or indirectly related to the lodging industry, with hotels, B&Bs, motels, resorts, and lodges generating \$1.5 billion in tax revenue for the state. That adds up to 11,508 lodging jobs in 2014 and \$356 million in private sector employee wages.

The current \$12 million budget provides a 7 to 1 return in economic activity as well as leveraging spending from outside Connecticut. Tourism has been a measured bright spot in Connecticut's economic recovery since Governor Malloy restored CT to the map of New England and created a marketing budget. This is not the time to take it off track. Cutting the statewide marketing budget to \$10 million will result in job losses and will reverse the continued growth in hotel tax revenues to the state over the last several years. Reducing statewide advertising will only hobble the "just re-established" "CT Brand" and the ability to draw "other people's money" to Connecticut.

Governor Malloy himself spoke at the CT Lodging Association Annual Meeting in the fall of 2014 and praised the Lodging Industry for its job creation and acknowledged that the dollars he supported being spent on tourism were having a major effect. In fact, he suggested that we "ask for more" in the upcoming budget.

We understand that there is a deficit. However, it makes no sense under any circumstances to cut budgets for areas that actually bring more revenue to the state coffers than are spent. Tourism is one of those areas. We are not asking for an increase in spending but we are asking that you keep the budget intact at \$12 million.

In addition, eliminating funding for the tourism districts would significantly hurt the lodging industry as well as the myriad of other businesses that rely on tourism in the state. As a small business owner (Bed & Breakfast) I don't have enough time in this testimony to tell you how much my wife and I were helped by our local tourism district in getting our business started and getting "on the map". In fact, our Central Regional Tourism District was instrumental in helping us establish the CT Bed & Breakfast Association.

There are over 100 B&B's in Connecticut at present and we, as well as countless related businesses, count on these districts for more than you can imagine. I would like to suggest that, if the Committee has not already seen them, they watch some of the "Non-Stop Connecticut" webisodes that have been produced by the Central Regional Tourism District. These are award winning, extremely well done and attract tourism dollars to our state.

Innovation like this is what we are used to from our districts and it would be a major loss if they were defunded. The DECD statewide marketing funding and the Regional Tourism District funding should be restored to what they were before the 2015 session budget plan.

Thank you for allowing me the opportunity to be heard on this very important subject.

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