



April 11, 2024

**MEMORANDUM**

TO: Thomas E. Dernoga, Chair  
 Planning, Housing, and Economic Development (PHED) Committee

THRU: Joseph R. Hamlin  
 Director of Budget and Policy Analysis

FROM: David Noto  
 Legislative Budget and Policy Analyst

RE: Experience Prince George's, Inc.  
 Fiscal Year 2025 Budget Review

**Budget Overview**

Experience Prince George's (ExPGC) is funded primarily through an annual County grant in the Non-Departmental section of the budget. ExPGC's proposed FY 2025 budget reflects County Grant funding in the amount of \$1,556,900 and remains unchanged from the FY 2024 Approved Budget.

**Budget Comparison – Revenue**

FY 2025 proposed revenues for ExPGC total is \$1,729,400, a decrease of \$112,500 or 6.1% under the FY 2024 Approved Budget.

Actual FY 2023 to Proposed FY 2025 Budget						
Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	% Change	% Change
County Grant	\$ 2,228,900	\$ 1,556,900	\$ 1,556,900	\$ 1,556,900	\$ -	0%
<b>County Contribution</b>	<b>\$ 2,228,900</b>	<b>\$ 1,556,900</b>	<b>\$ 1,556,900</b>	<b>\$ 1,556,900</b>	<b>\$ -</b>	<b>0%</b>
Cooperative Marketing & Promotions	\$ 3,500	\$ -	\$ 9,300	\$ 7,500	\$ 7,500	N/A
State of MD grant Funds	\$ 350,754	\$ 250,000	\$ 131,200	\$ 130,000	\$ (120,000)	-48.0%
Other Income	\$ 28,501	\$ -	\$ -	\$ -	\$ -	N/A
Membership Dues / Sponsorships / Fundraising	14,779	35,000	28,000	35,000	\$ -	0%
<b>Other Contributions</b>	<b>\$ 397,534</b>	<b>\$ 285,000</b>	<b>\$ 168,500</b>	<b>\$ 172,500</b>	<b>\$ (112,500)</b>	<b>-39.5%</b>
<b>Total</b>	<b>\$ 2,626,434</b>	<b>\$ 1,841,900</b>	<b>\$ 1,725,400</b>	<b>\$ 1,729,400</b>	<b>\$ (112,500)</b>	<b>-6.1%</b>

**County Contribution**

- The FY 2025 proposed County Contribution to Experience Prince George’s is \$1,556,900 and remains unchanged from the FY 2024 Approved Budget. The County Contribution represents 90.0% of the organization’s total budget.
- The County Contribution is composed of County revenue from two sources discussed below:
  - Other County Sources of Income – Proposed at \$995,900 for FY 2025, a decrease of \$93,900, or 8.6% under the approved FY 2024 level. The County adjusted the General Fund Grant based on hotel tax proceeds.
  - Hotel Tax proceeds – ExPGC’s FY 2025 expected proceeds from the Tax is \$561,000, an increase of \$93,900, or 20.1% above the approved FY 2024 level. CB-077-2016 requires that at least 5% of the tax levied be reserved for the organization to promote travel and economic development in the County. Notably, the Gaylord Hotel at National Harbor is exempt from this tax.



**Other Contributions**

- The Maryland State Grant to the organization is provided by the Maryland Tourism Board. The State grant is calculated based on a base amount of \$20,000, a calculation of investment in the County, and tax collection revenues. The FY 2025 proposed grant amount is \$130,000, a decrease of \$120,000, or 48% under the FY 2024 approved level.
- Membership Dues, Sponsorships, and Fundraising are proposed at \$35,000 and remain unchanged from the FY 2024 approved level. Compared to FY 2024 estimates; however, this represents a decrease of \$7,000.

- ExPGC’s fee structure is currently based on the number of employees at the business. The base membership fee is \$500, with a maximum of \$6,000. The fee structure is being overhauled, and a new fee schedule will be announced at the annual meeting on July 1, 2024.<sup>1</sup>
- ExPGC remains on the lower tier of funding for the capital region Destination Marketing Organizations (DMOs).

**Budget Comparison – Expenditures**

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 565,807	\$ 681,800	\$ 600,800	\$ 553,800	\$ (128,000)	-18.8%
Fringe Benefits	124,454	78,200	44,600	48,400	\$ (29,800)	-38.1%
Operating Expenses	1,936,173	1,081,900	1,080,000	1,127,200	\$ 45,300	4.2%
<b>Total</b>	<b>\$2,626,434</b>	<b>\$1,841,900</b>	<b>\$1,725,400</b>	<b>\$1,729,400</b>	<b>\$ (112,500)</b>	<b>-6.1%</b>

- For FY 2025, Compensation is proposed at \$553,800, a decrease of \$128,000, or 18.8% under the FY 2024 level due to lapsing two positions, partially offset by the annualization of FY 2024 annualization and planned FY 2025 salary adjustment.
- For FY 2025, Fringe Benefits are proposed at \$48,400, a decrease of \$29,800, or 38.1% under the FY 2024 level due to the fringe benefit rate decreasing from 11.5% to 8.7% to align with anticipated costs.
- Compensation and Fringe Benefits represent 34.8% of the organization’s total budget.
- For FY 2025, Operating Expenses are proposed at \$1,127,200, an increase of \$45,300, or 4.2% over the FY 2024 level due to a one-time operating funding increase for a feasibility study, as well as increases in OIT charges based on anticipated countywide costs for technology. The increase is partially offset by a decrease in operating costs for outreach by the travel, research, sales and marketing division for outreach.

**Operating and Marketing Expenses**

- The FY 2025 Total Operating & Marketing expenditures are proposed at \$1,127,200.

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<sup>1</sup> Fees have not been revisited since the organization was founded in 1979.

<b>Expenditure Categories</b>					
<b>Category</b>	<b>FY 2024 Budget</b>	<b>FY 2024 Estimate</b>	<b>FY 2025 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<i>Compensation</i>	\$ 681,800	\$ 600,800	\$ 553,800	\$ (128,000)	-18.8%
<i>Fringe Benefits</i>	78,200	44,600	48,400	(29,800)	-38.1%
<b>Sub-Total</b>	<b>\$ 760,000</b>	<b>\$ 645,400</b>	<b>\$ 602,200</b>	<b>\$ (157,800)</b>	<b>-20.8%</b>
<i>Operating</i>					
Travel	\$ 20,000	\$ 5,000	\$ 5,000	\$ (15,000)	-75.0%
Operations (Supplies, Equipment, MIS)	60,000	88,200	72,000	12,000	20%
OIT Charges	65,700	65,700	69,200	3,500	5.3%
Consultants/Contracts/Insurance	150,000	221,700	251,800	101,800	67.9%
Meeting Expense	20,000	36,900	20,000	-	0%
Research	107,400	111,100	103,200	(4,200)	-3.9%
Event Promotion	250,000	200,000	214,000	(36,000)	-14.4%
<b>Sub-Total</b>	<b>\$ 673,100</b>	<b>\$ 728,600</b>	<b>\$ 735,200</b>	<b>\$ 62,100</b>	<b>9.2%</b>
<i>Marketing</i>					
Advertising	\$ 151,300	\$ 155,600	\$ 217,000	\$ 65,700	43.4%
Publications	5,000	-	-	(5,000)	-100%
Trade Shows	7,500	-	-	(7,500)	-100.0%
Events/Promotions	-	44,400	30,000	30,000	N/A
Website Development	95,000	77,800	80,000	(15,000)	-15.8%
Sales	90,000	45,600	50,000	(40,000)	-44.4%
Membership Services	60,000	28,000	15,000	(45,000)	-75.0%
<b>Sub-Total</b>	<b>\$ 408,800</b>	<b>\$ 351,400</b>	<b>\$ 392,000</b>	<b>\$ (16,800)</b>	<b>-4.1%</b>
Total Operating & Marketing	\$ 1,081,900	\$ 1,080,000	\$ 1,127,200	\$ 45,300	4.2%
<b>Total Expenditures:</b>	<b>\$ 1,841,900</b>	<b>\$ 1,725,400</b>	<b>\$ 1,729,400</b>	<b>\$ (112,500)</b>	<b>-6.1%</b>

- The FY 2025 Proposed budget for Operating is \$735,200, an increase of \$62,100, or 9.2%.
  - *Travel* decreases are driven by a decrease in travel to trade shows, conventions, and conferences.
  - *OIT Charges* are driven by an anticipated increase in countywide costs for technology.
  - *Consultants/Contracts/Insurance* increase is driven by the execution of the feasibility study and the strategic plan.
  - *Research* decreases are due to industry metrics and real-time hospitality statistics.
  - *Event Promotion* decreases are due to Sponsorships being divided from the marketing line.
  
- The FY 2025 Proposed Budget for Marketing is \$392,000, a decrease of \$16,800, or 4.1%.
  - *Advertising* increases are due to increased ad buys, digital marketing, and social media engagement.
  - *Trade Shows* decrease is due to the Trade Show being rolled into Sales.
  - *Website Development* decreased to reflect Customer Relationship Management.

**Employee Data**

<b>Funded Positions</b>				
	<b>FY 2024</b>	<b>FY 2025</b>	<b>Change</b>	<b>Percentage</b>
	<b>Staffing Level</b>	<b>Staffing Level</b>	<b>Amount</b>	<b>Change</b>
Full-Time	6	6	0	0%
Part-Time	1	1	0	0%
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0%</b>

- The FY 2025 proposed budget includes funding for six (6) full-time employees and one (1) part-time employee. All staff are partially funded by County sources.
- ExPGC has two vacancies: the Executive Vice-President and the Destination Services & Special Events Manager.

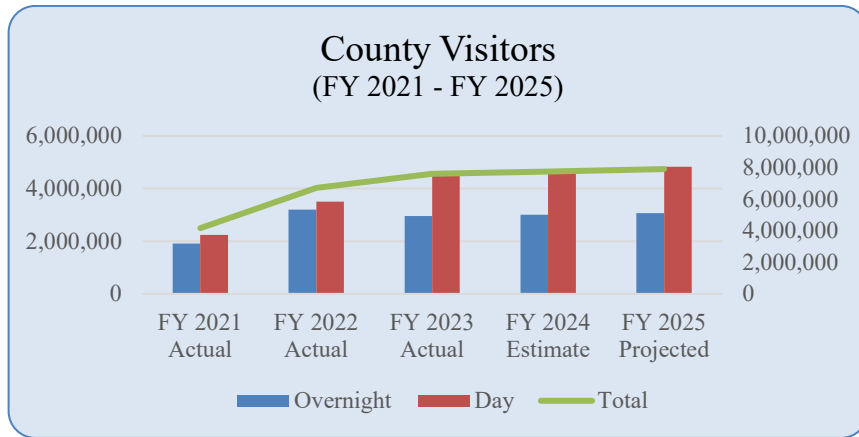
## **INFORMATIONAL AND PROGRAMMATIC SECTION**

- Experience Prince George's FY 2024 key accomplishments include:
  - Executed the Experience Prince George's leisure campaign with new digital, print, radio, and television advertising in key feeder markets from New York to North Carolina.
  - Increased the number of hospitality and tourism organizations signing up for membership by 40%.
  - Secured nearly 54,000 hotel room night stays with an estimated room revenue of \$10,616,280 from now till 2029.
  - Secured a new travel and tourism data collection tool that provides daily visibility for visitor movement and spending.
  - Increased earned media opportunities for the County in the hospitality and tourism sector.
- The organization notes the following strategic focus and initiatives for FY 2025:
  - Increase direct sales and lead generation to hotels.
  - Increase the County hotel occupancy rate through increased advertising placement, sports and electronic marketing, social media use, and direct sales efforts to key market segments, using the agency marketing plan.
  - Continue to execute sponsorship opportunities that generate brand awareness in ExPGC key feeder markets.
- ExPGC will implement a feasibility study for a tourism improvement district in FY 2025. This study is anticipated to be completed before the end of FY 2025.
- ExPGC was able to attract and retain several sports events in the County. A list of events from FY 2024 and anticipated in FY 2025 can be found as a response to question 19 in the *First Round Budget Review Questions*. Of particular note is the addition of CIAA conference sporting events.
- ExPGC produces the exclusive [Visitors Guide to Prince George's County](#), a complete source for visitors, new residents, relocating employees, and businesses. The guide includes comprehensive information on events, attractions, accommodations, and maps for Prince George's County. The guide is available by request on the ExPGC website.

### **Service Delivery Plan and Performance**

**Goal 1:** Expand Prince George's County's tourism economy.

- One of the primary goals of Experience Prince George's is to increase weekend travel and leisure to the County. One of the metrics for discerning meaningful increases in travel to the County is increasing hotel occupancy rates. Hotel occupancy rates are projected to increase to 72% in FY 2025.



- Direct employment in tourism is projected to increase slightly to over 21,000 in FY 2025.

