



Chair Paul Torkelson
House Ways and Means Committee
2nd Floor Centennial Office Building
St. Paul, MN 55155

Chair Zach Stephenson
Senate Finance Committee
5th Floor Centennial Office Building
St. Paul, MN 55155

May 2, 2025

Dear Chair Stephenson and Chair Torkelson:

On behalf of Explore Minnesota, I am writing to provide feedback on the House Workforce, Labor, and Economic Development Finance Bill HF2440.

I want to extend my gratitude to the members of the House Workforce, Labor, and Economic Development Committee for their work in crafting a budget and to the members of the House Ways and Means Committee for your review and consideration of its provisions.

Explore Minnesota's mission is to support the growth of Minnesota's economy by managing the state's tourism, livability and economic opportunity, outdoor recreation, film, and other statewide promotion efforts as directed. We drive people worldwide to discover our great state, the Star of the North, and drive critical revenue growth.

Knowing that Explore Minnesota creates \$24.2 billion of economic impact in Minnesota through targeted and measured promotion to potential visitors worldwide, it is vital to ensure the budget remains intact moving into FY2027-2028. Governor Walz and Lieutenant Governor Peggy Flanagan have proposed a reasonable and measured budget for FY2027- 2028, which does not include reductions for Explore Minnesota in the next biennium. The proposed reduction in this omnibus however, unfortunately eliminated the base budget for the new Explore Minnesota Film office which not only drives tourism at a time when it is more important than ever, but also helps create jobs and drive economic impact to every county in the state.

Since its establishment in 2021, Minnesota's Film Production Tax Credit has issued over 12 credit certificates, totaling more than \$4.4 million. These credits have supported a variety of projects, including feature films, documentaries, and commercials. In 2024, the State Legislature saw the enormous potential of film and television production in Minnesota and approved the creation of the state's first-ever Film Office. This office administers a \$25 million per year

incentive program, supporting a film industry comprising crew members, actors, writers, directors, skilled laborers, and more. Additionally, it serves as an extension of the state's tourism marketing efforts by encouraging productions from around the world to film in Minnesota.

When a film production takes place in Minnesota, it has a significant economic impact on the state. Productions spend substantial money on hotels, dining at local restaurants, and creating jobs. Furthermore, they develop content that highlights the state for years to come. For instance, a recent production of the Netflix series "Love is Blind" spent \$1.9 million on hotels, restaurants, event venues, and other locations throughout Minnesota. This series ranks among the top 10 on Netflix, with a reported 6 billion minutes watched worldwide. Our tourism office could never afford such extensive marketing on its own. Yet, we have successfully leveraged the show to gain additional media coverage, attracting the interest of national publications eager to highlight the places visited by the participants.

A recent production titled "Hope in the Water," produced by David E. Kelley, Andrew Zimmern, and Martha Stewart, was nominated for a News & Documentary Emmy, as announced on May 1, 2025. This production received the Minnesota Film & Television Production Credit, employed 21 individuals, and spent over \$950,000 in wages, contributing more than \$1.2 million to the Minnesota economy.

The annual budget for Explore Minnesota Film is \$825,000, which supports three full-time employees, marketing efforts, and the management of the industry engagement and incentive programs. The return on investment (ROI) a small film office can generate for our state is remarkable; just imagine the potential of maintaining this momentum.

The elimination of the Explore Minnesota Film budget will necessitate the reduction of three full-time positions, which represent over 5.5% of our workforce. This decision would directly hinder Minnesota's ability to offer vital incentives and production support for feature films, television pilot programs, documentaries, music videos, and commercials with budgets exceeding \$1 million spent in the state. The available incentive funding, which will continue accumulating for the next five years, will go untapped, leading to a significant loss of economic impact when Minnesota should be seeking new revenue opportunities. Furthermore, we would be dismantling an office that can play a crucial role in fostering collaboration and building strong connections among industry professionals, ultimately weakening our state's position in the creative economy.

Nearly every state in the United States has established a film office, with over half of these offices operating under state tourism departments. This structure facilitates the promotion of each state's unique narratives on a global platform. Eliminating funding for Explore Minnesota Film could result in productions and their associated economic benefits relocating to neighboring



states such as Wisconsin or Illinois. In 2024, Illinois reported \$653 million in film production revenue, along with estimated wages of \$351 million and the creation of approximately 18,200 jobs within the industry. This data illustrates the substantial impact that film funding programs can have on a state's economy.

Reducing or eliminating funding and programs from Explore Minnesota could pose challenges for our state, as we currently rank 8th out of 9 in our region regarding budget allocations. In contrast, our neighboring states continue investing in their marketing initiatives, which may put us at a competitive disadvantage. We fully understand the state's budget constraints and are eager to be part of the solution. Rather than cutting funding for programs that help drive revenue, we believe there are more constructive approaches. We aim to support job growth and enhance revenue; we appreciate the opportunity to work together toward these objectives.

We respectfully request that the committee and fellow house members consider reinstating the budget for Explore Minnesota Film. By doing so, we can continue to share the remarkable stories that highlight what makes our state an exceptional place to visit, live, and work. We appreciate your support in fostering an environment where revenue-generating programs can flourish.

Thank you to Chair Baker and Chair Pinto and to the House Ways and Means Committee for their work and support of Explore Minnesota.

Sincerely,

A handwritten signature in black ink that reads 'Lauren Bennett McGinty'.

Lauren Bennett McGinty
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