Hospitality, Tourism, & Retail:

As a state whose moniker is ‘Vacationland’, it’s no surprise that the Hospitality, Tourism, and Retail industries are significant and foundational drivers of Maine’s economy. In 2019, Maine welcomed 37.37M visitors; resulting in 6.5B in economic activity. In that same year, 1 out of 6 workers in Maine were employed in the hospitality, tourism, and retail sectors; the sum of these workers (116k) is greater than the population of Portland and Bangor combined and represented 17% of employment in our state.

These same industries have been hard hit by the economic impacts of COVID-19. Sales tax revenue for April 2020 demonstrate significant economic impact with revenues down in the following sectors, year over year, lodging 80%, restaurants 58%, retail merchandise 45%, and auto sales 37%. A recent report issued by University of Maine Economists projected hospitality employment will drop 42% or 46,200 workers.

The economic impacts to this industry are deep and, unmitigated, threaten Maine’s broader economic health. The subcommittee offers the following recommendations:

Reopen with Parity & Transparency

The subcommittee continues to recommend that Maine’s reopening strategies align closely with regional peers and that eligibility for visitation without quarantine or testing be determined by clear, transparent, and metric based criteria. Recent news from the tri-state area serves as an example that transparent, metric based formulas are being used in other regions to manage tourism and public safety.

Business Support

With the goal of sustaining otherwise viable businesses until the summer of summer 2021, the subcommittee recommends:

- A business support program to provide funding directly to small businesses is needed.
- The implementation of a tax credit for business expenses related to PPE, engineering, training, and retrofitting needed to comply with checklists and public safety guidance.

Maine Office of Tourism (MOT) Funding

Any unspent funds (FY20) should not be swept into the general fund and the MOT budget remain flat for FY21 and FY22.

Masks

Mask wearing is key to managing the spread of COVID-19 and therefore critical to stabilizing our businesses and keeping schools open. The committee recommends funding a dedicated, centralized, inclusive, creative, and longer term mask wearing campaign to help keep the importance of mask wearing front and center for all Maine people and visitors alike.

3 https://www.maine.gov/revenue/research/sales/homepage.html
Notes to ERC Committee Chairs

The subcommittee thought it would be helpful to share some additional thoughts with the chairs that are either not ready for a full recommendation or don’t fit into that format.

**Education** – The subcommittee is supportive of education being a top priority and recognizes the dual importance and symbiotic nature of schools being open and businesses being able to operate. The subcommittee respectfully requests that opening schools and operating and sustaining businesses are considered and presented on par with each other. Safety and creative approaches are paramount to the sustainability of keeping our schools and businesses open.

**Broadband** – The subcommittee supports aggressive broadband funding, but only through bonding. The need for CARES ACT dollars exceeds the available amount such that the subcommittee members would prefer to pursue funding for Broadband through alternative avenues, namely bonding.

**Arts & Culture** – Maine’s artists, musicians, venues, museums, festivals, and cultural attractions are an important part of the visitor and tourism experience. Many such organizations are structured as not for profit. The subcommittee requests clarity about which subcommittee should take point on work surrounding their sustainability and encourages consideration be given to the creation of a subcommittee dedicated to Arts and Culture.

**Liability** - Liability remains a concern for this subcommittee. The subcommittee is also clear in that any liability protection they would recommend would need to apply to those who are following the rules and guidance aimed at keeping workers, customers, and communities safe. We are likely to further this conversation in the coming weeks with the hope of better understanding concerns from others on the committee and identifying common ground.

**Workforce/education** – The subcommittee looks forward to a focus on workforce and education needs for the Hospitality, Tourism, and Retail sectors during the next phase of this process.