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STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION of TRAVEL and TOURISM DEVELOPMENT
172 Pembroke Road, Concord, New Hampshire 03301

Jeffrey J. Rose
Commissioner

Victoria Cimino
Director

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August 24, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301


Approved by Fiscal Committee Date 9/16/16

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Executive Council
State House
Concord, New Hampshire 03301

Requested Action

Pursuant to RSA 9:16-a, authorize the Department of Resources and Economic Development, Division of Travel and Tourism to transfer funds within the Division of Travel and Tourism, as outlined below, in the amount of \$150,000 to reallocate direct Promotional and Marketing Funds in FY2017. Effective upon Fiscal Committee and Governor and Executive Council through June 30, 2017. Funding Source: 100% General Funds

Division of Travel and Tourism					
03-035-035-3520-36200000					
Fiscal Year 2017					
Class	Account	Description	Current Budget	Requested Action	Adjusted Budget
010	500100	Personal Services – Perm.	\$421,503.00	\$0	\$421,503.00
011	500126	Personal Services – Unclass.	\$99,227.00	\$0	\$99,227.00
018	500106	Overtime	\$3,600.00	\$0	\$3,600.00
020	500200	Current Expenses	\$36,806.45	\$0	\$36,806.45
022	500255	Rents-Leases Other than State	\$4,043.00	\$0	\$4,043.00
026	500251	Organizational Dues	\$14,500.00	\$0	\$14,500.00
029	500290	Intra-Agency Transfers	\$10,000.00	\$0	\$10,000.00
030	500301	Equipment New Replacement	\$1,000.00	\$0	\$1,000.00
039	500188	Telecommunications	\$13,700.00	\$0	\$13,700.00
049	500246	Transfer to Other State Agencies	\$200.00	\$0	\$200.00
060	500601	Benefits	\$291,975.00	\$0	\$291,975.00



069	500567	Promotional-Marketing Exp.	\$1,732,219.54	\$150,000.00	\$1,882,219.54
070	500704	In State Travel Reimbursement	\$8,650.00	\$0	\$8,650.00
075	500590	Grants Subsidies and Relief	\$1,663,701.85	(\$150,000.00)	\$1,513,701.85
080	500710	Out of State Travel Reimb.	\$24,600.00	\$0	\$24,600.00
			\$4,325,725.84	\$0.00	\$4,325,725.84

Explanation

The mission of the Division of Travel and Tourism Development (DTTD) is to promote New Hampshire as a preferred travel destination in order to increase visitor expenditures, business activity and employment throughout the state. DTTD's promotional activities are focused within eight key markets, both domestic and international. Efforts include integrated advertising campaigns, media/travel trade relations, digital/social media programming, publication development, and research/data collection.

RSA 78-A:26(b) requires an amount equal to 3.15% of the Meals and Rooms Tax net income (after the deduction of the Department of Revenue Administration's administrative costs and payments of principal and interest on school building aid bonds and notes) be credited to the Department of Resources and Economic Development, Division of Travel and Tourism. The final version of HB2 suspended RSA 78-A:26(b) and the Division's total Class 069 allocation decreased by \$500,000 leaving Class 075 disproportionate to the Division's overall budget.

The transfer will increase the FY2017 Class 069 appropriation for Promotional-Marketing Expense and decrease the Class 075 appropriation for Grants, Subsidies and Relief, Class 075 typically accounts for approximately nine percent of the Division's total budget. This transfer is in response to the Division's final budget allocation, dedicating eleven percent of the Division's total budget to Class 075 (rather than thirteen percent).

The following information is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions.

Does transfer involve continuing programs or one-time projects? The transfer involves the continuation of the Division of Travel and Tourism Development's promotional program.

Is this transfer required to maintain existing program level or will it increase the program level? This transfer will increase FY2017 Class 069 appropriation for Promotional-Marketing Expense.

Cite any requirements which make this program mandatory. In addition to several other outlined duties, RSA 12-A:43 requires the director of travel and tourism development to promote New Hampshire as a domestic and international travel destination in order to increase visitation and travel expenditures, business activity, and employment throughout the state.

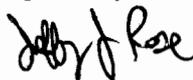
Identify the source of funds on all accounts listed on this transfer. The source of funds for all accounts listed on this transfer is 100% general funds.

Will there be any effect on revenue if this transfer is approved or disapproved? Yes. DTTD utilizes promotional and marketing funds to promote travel and tourism in New Hampshire. Tourism is New Hampshire's second largest industry and is a key driver behind meals and rooms tax revenues.

Are funds expected to lapse if this transfer is not approved? No. Funds are not expected to lapse if the transfer is not approved.

Are personnel services involved? No personnel services are involved.

Respectfully submitted,



Jeffrey J. Rose, Commissioner
Department of Resources and Economic Development

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			\$4,325,725.84	\$0.00	\$4,325,725.84

Explanation

The mission of the Division of Travel and Tourism Development (DTTD) is to promote New Hampshire as a travel destination in order to increase visitor expenditures, business activity and employment. Promotional activities are focused within eight key markets, both domestic and international. These include advertising campaigns, media/travel trade relations, digital/social media programs, research/data collection.

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RSA 78-A:26(b) requires an amount equal to 3.15% of the Meals and Rooms Tax (Department of Revenue Administration's administrative costs and payments of bonds and notes) be credited to the Department of Resources and Economic Development. The final version of HB2 suspended RSA 78-A:26(b) and the Division's total Class 075 disportionate to the Division's overall budget.

The transfer will increase the FY2017 Class 069 appropriation for Promotional-Marketing Expense and Class 075 appropriation for Grants, Subsidies and Relief. Class 075 typically accounts for 13% of the Division's total budget. This transfer is in response to the Division's final budget request to increase the Division's total budget to Class 075 (rather than thirteen percent).

The following information is provided in accordance with the Budget Office's request dated April 17, 1985 to support the above requested actions.

Does transfer involve continuing programs or one-time projects? The transfer involves the continuation of the Division of Travel and Tourism Development's promotional program.

Is this transfer required to maintain existing program level or will it increase the program level? This transfer will increase FY2017 Class 069 appropriation for Promotional-Marketing Expense.

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Are personnel services involved? No personnel services are involved.

Respectfully submitted,



Jeffrey J. Rose, Commissioner
Department of Resources and Economic Development

01201 Date 08/19/16
Time 09:08

Statement of Appropriations by Office

Fiscal Year 2017
Periods From 1 to 2
Period Beg 07/01/16 Bud 08/31/16 Page 103

Company 0010 General Fund
Agency 3220 RESOURCES ECON DEVEL DEPT OF
Organization 3220 DIVISION OF TRAVEL - TOURISM

BUR/DIV 3220 TRAVEL AND TOURISM
ACCT UNIT 32200000
DIVISION OF TRAVEL - TOURISM

Class	Appropriation	Est Revenue	Expenditures	Revenues	Encumbrances	Transfers	Lapsed	Bal Fwd	Available Rate
010	PERSONAL SERVICES PERM CLAS	0.00	59,895.20-	0.00	0.00	0.00	0.00	0.00	361,507.80 .14
011	PERSONAL SERVICES UNCLASSIF	0.00	13,597.76-	0.00	0.00	0.00	0.00	0.00	85,629.24 .13
018	OVERTIME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,600.00 0.00
020	CURRENT EXPENSES	0.00	3,509.23-	0.00	0.00	0.00	0.00	1,331.45	33,237.20 .09
022	RENTS-LEASES OTHER THAN STA	0.00	0.00	0.00	2,764.32-	0.00	0.00	543.00	1,278.68 .68
026	ORGANIZATIONAL DUES	0.00	1,125.00-	0.00	0.00	0.00	0.00	0.00	13,375.00 .07
029	INTRA-AGENCY TRANSFERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00 0.00
030	EQUIPMENT NEW REPLACEMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00 0.00
039	TELECOMMUNICATIONS	0.00	744.95-	0.00	0.00	0.00	0.00	0.00	1,000.00 0.00
049	TRANSFER TO OTHER STATE AGENCY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,955.05 .05
060	BENEFITS	0.00	40,700.69-	0.00	0.00	0.00	0.00	0.00	200.00 0.00
069	PROMOTIONAL MARKETING EXP	0.00	65,221.73-	0.00	1,401,627.11-	0.00	0.00	0.00	251,274.31 .13
070	STATE TRAVEL REIMBURSEME	0.00	357.09-	0.00	0.00	0.00	0.00	252,219.54	265,370.70 .84
075	GRANTS SUBSIDIES AND RELIEF	0.00	153,693.71-	0.00	412,510.33-	0.00	0.00	0.00	8,292.91 .04
080	OUT OF STATE TRAVEL REIMB	0.00	16.10-	0.00	0.00	0.00	0.00	663,701.85	1,098,097.81 .33
	Sub-obj	0.00	338,261.48-	0.00	1,816,901.76-	0.00	0.00	0.00	24,583.90 0.00
		0.00		0.00		0.00	0.00	317,795.84	2,170,562.60