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STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION OF ECONOMIC DEVELOPMENT

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August 24, 2016

FB 16 146

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

[Signature]
Approved by Fiscal Committee Date

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 Economic Development to transfer funds within the Division of Economic Development as outlined below, in the amount of \$100,000 to reallocate contracted 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 Economic Development					
03-035-035-3505-36000000					
Fiscal Year 2017					
Class	Account	Description	Current Budget	Requested Action	Adjusted Budget
10	500100	Personal Services – Perm.	813,437.00	0.00	813,437.00
11	500126	Personal Services – Unclass.	98,628.00	0.00	98,628.00
20	500200	Current Expenses	12,826.40	0.00	12,826.40
22	500255	Rents-Leases Other than State	5,573.90	0.00	5,573.90
26	500251	Organizational Dues	2,500.00	0.00	2,500.00
30	500301	Equipment New Replacement	36,696.00	0.00	36,696.00
39	500188	Telecommunications	19,418.00	0.00	19,418.00
60	500601	Benefits	422,158.00	0.00	422,158.00
69	500567	Promotional-Marketing Exp.	147,096.42	100,000.00	247,096.42
70	500704	In State Travel Reimbursement	12,700.00	0.00	12,700.00
80	500710	Out of State Travel Reimb.	71,100.00	0.00	71,100.00
102	500731	Contracts for Program Services	272,000.00	(100,000.00)	172,000.00
			1,914,133.72	0.00	1,914,133.72

Explanation

The transfer will increase the FY2017 Class 069 appropriation for Promotional-Marketing Expense by transferring from Class 102 Contracts for Program Services appropriations in the amount of \$100,000 in order to properly align total budgeted appropriations of \$200,000 to class 69 for contracted advertising and promotional services by Griffin, York and Krause d.b.a. GYK Antler (VC#155251) as approved by the Governor and Executive Council. The Division's FY 2017 budget included \$100,000 in the Class 102 line for the purpose of a workforce recruitment study on how to bring a skilled workforce to New Hampshire.

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 Economic Development's advertising and promotional services 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, which was the intended use of the \$100,000.

Cite any requirements which make this program mandatory. The Division's FY 2017 budget explicitly states that this \$100,000 is to be used for "a workforce recruitment study on how to bring a skilled workforce to New Hampshire," which is a marketing activity.

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. This program is intended to address challenges that New Hampshire companies experience in recruiting skilled workers. In many high-tech fields, there are shortages of qualified workers. This inhibits growth at many New Hampshire businesses. If these workforce challenges can be addressed, more businesses will grow, thereby increasing business tax revenues.

Are funds expected to lapse if this transfer is not approved? Yes. Funds are 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

01201 Date 08/20/16
Time 03:03

Statement of Appropriations by Office

Periods From 1 to 2
Period Beg 07/01/16 End 08/31/16 Page 14

Company 0010 Genstal Fund
Agency 015 RESOURCES - ECON DEVEL DEPT OF
Organization 3600 ECONOMIC DEVELOPMENT ADMIN

BUR/DIV 3605 DIVISION OF ECONOMIC DEVELOPME
SUB-ORG ECONOMIC DEVELOPMENT ADMIN
ACC UNIT 360000000

Class	Appropriation	Est Revenue	Expenditures	Revenue	Encumbrances	Transfers	Lapsed	Bal Fwd	Available Rate
004	INTRA AGENCY TRANSFERS	152,944.00-	0.00	14,250.74	0.00	0.00	0.00	0.00	138,693.26-
010	PERSONAL SERVICES PERM CLAS	0.00	122,881.18-	0.00	0.00	0.00	0.00	0.00	690,555.82
011	PERSONAL SERVICES UNCLASSIF	0.00	13,597.76-	0.00	0.00	0.00	0.00	0.00	85,030.24
020	CURRENT EXPENSES	0.00	1,099.28-	0.00	382.20-	0.00	0.00	244.40	11,344.92
022	RENTS-LEASES OTHER THAN STA	0.00	750.00-	0.00	4,823.90-	0.00	0.00	573.90	0.00
026	ORGANIZATIONAL DUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
030	EQUIPMENT NEW REPLACEMENT	0.00	16,903.00-	0.00	0.00	0.00	0.00	16,903.00	19,931.00
039	TELECOMMUNICATIONS	0.00	1,216.78-	0.00	0.00	0.00	0.00	0.00	18,201.22
060	RENETITS	0.00	62,537.91-	0.00	0.00	0.00	0.00	0.00	359,520.09
069	PROMOTIONAL MARKETING EXP	0.00	59,346.42-	0.00	87,750.00-	0.00	0.00	47,096.42	0.00
070	IN STATE TRAVEL REIMBURSE	0.00	477.00-	0.00	0.00	0.00	0.00	0.00	12,222.34
086	OUT OF STATE TRAVEL REIMS	0.00	3,939.04-	0.00	0.00	0.00	0.00	9,500.00	67,406.96
102	CONTRACTS FOR PROGRAM SERVI	0.00	110,750.00-	0.00	25,000.00-	0.00	0.00	0.00	136,250.00
Sub-023		152,944.00-	393,399.03-	14,250.74	117,956.10-	0.00	0.00	74,217.72	1,264,085.33
Organization		152,944.00-	393,399.03-	14,250.74	117,956.10-	0.00	0.00	74,217.72	1,264,085.33



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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 03302-1856

Jeffrey J. Rose
Commissioner

Victoria Cimino
Director

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May 13, 2015

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

REQUESTED ACTION

Authorize the Department of Resources and Economic Development (DRED) to enter into a contract with Griffin, York and Krause d.b.a. GYK Antler (VC #155251), Manchester, New Hampshire, in the amount of \$10,000,000 for domestic and international advertising and promotional services for the period beginning July 1, 2015 through June 30, 2017, with the option to renew for one additional two year period upon consent of both parties and subject to Governor and Executive Council approval. 98.5% General Funds and 1.5% Park Funds

Funding for FY 2016 and FY 2017 is contingent upon availability and continued appropriation of funds, as follows, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified:

	<u>FY16</u>	<u>FY17</u>
03-35-35-352010-36200000 Division of Travel - Tourism 069-500567 Promotional Marketing Exp.	\$1,200,000	\$1,200,000
03-35-35-352010-58740000 Travel – Tourism Dev Fund 069-500567 Promotional Marketing Exp.	\$3,625,000	\$3,525,000
03-35-35-350510-36000000 Economic Development Admin 069-500567 Promotional Marketing Exp.	\$100,000	\$200,000
03-35-35-351510-37010000 Parks Administration 069-500567 Promotional Marketing Exp.		
	<u>\$75,000</u>	<u>\$75,000</u>
<i>Totals:</i>	\$5,000,000	\$5,000,000

EXPLANATION

The Division of Travel and Tourism Development (DTTD) is charged with the promotion of New Hampshire as a domestic and international travel destination. In 2014, the state attracted more than 37 million visitors who spent \$5.1 billion, supporting 68,000 full- and part-time jobs and generating \$64.8 million in state and local tax revenues.

Year-round advertising and promotion is essential to the Division's efforts to increase travel to New Hampshire. Its **Agency of Record** provides the necessary resources for implementation, optimizing budget, building on experience, leveraging partnerships, and responding to changes within the travel environment.

DTTD issued an extensive Request for Proposals (RFP) for marketing and advertising agency services on January 23, 2015. Notice was sent to eighty-nine advertising agencies and the RFP was posted on visitnh.gov and admin.state.nh.us. Subsequently, seven vendors submitted formal written proposals on February 24, 2015.

A selection committee comprised of private/public tourism marketing professionals (Schedule # 2) reviewed and scored the proposals (Schedule #1), inviting three agencies to present to the committee in-person on April 8, 2015. Each agency was asked to demonstrate creative elements, elaborating on its written submission. GYK Antler was ultimately awarded the contract with DTTD. A composite score of both the written and the creative oral presentations is included as Schedule # 3.

GYK Antler is a Manchester-based, full-service marketing agency with a 40-year history of brand marketing and deep digital expertise. Its integrated team works synergistically across the following services:

- Strategy & Planning
- Branding & Design
- Content Creation
- Media Planning & Buying
- Video Production
- Social Media & Consumer Engagement
- Web & Mobile Development
- Experiential & Events
- Reporting & Analytics

GYK Antler is of a size and caliber that can effectively absorb the DTTD account, having worked with the New Hampshire Lottery Commission for 30 years, the organization is extremely familiar with the process and protocol of working with state government.

In an effort to increase efficiencies, leverage budget, and continue to grow the New Hampshire brand, this contract includes two additional divisions of DRED, the Division of Parks and Recreation and the Division of Economic Development.

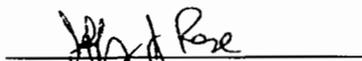
The Attorney General's office has reviewed and approved this contract as to form, substance and execution.

Respectfully submitted,

Concurred,



Victoria Cimino, Director
Division of Travel and Tourism Development



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