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Appropriations Committee
February 12, 2014

[Agency 91]

KATHY McKILLIP: (Exhibit 3) Good afternoon. Chairman Mello and members of the committee, I'm Kathy McKillip: K-a-t-h-y, last name McKillip, M-c-K-i-l-l-i-p. And I am the current executive director with the Nebraska Tourism Commission. As you may be aware, the Nebraska Tourism Commission recently completed the development of a statewide strategic plan, in 2011. This plan, under the direction of LB684, charged the commission with evaluating several elements within the tourism industry. Several components that came under review were organizational structure, staffing, marketing, regional growth, funding sources, and an overall statewide assessment of assets and tourism potential. As Tourism was preparing to present the findings from the strategic plan, LB1053 was passed by the legislative body in 2012, moving Nebraska Tourism out of the Department of Economic Development and into the newly created Nebraska Tourism Commission, or Agency 91. A great deal has occurred for Nebraska Tourism in the past three years. Most significantly, the building of partnerships and the momentum towards the growth of our opportunities have been brought before the state. I am here today to discuss two specific topics: staffing and our cash funds, or...known as Visitor Improvement Funds. When Nebraska Tourism departed from DED, Agency 72, and became the Nebraska Tourism Commission, Agency 91, the transition and move occurred within 60 days, no small feat for the development of a new commission and a state agency. Along with that move came job descriptions and assignments that lacked defined classifications and did not meet the needs of the commission or the needs of our industry within the state. These job descriptions are obsolete and position categories too generic. It is tough enough recruiting and retaining staff, based on salary limitations, and harder yet with predefined, boxed categories of position classifications. The transition was rapid and tough. We had no opportunity to conduct an analysis that specifically defined current or potential staffing positions. At this time, the commission would like to take the next few months to conduct desk audits of current staff positions and work with a third-party consultant to assist in the review of job descriptions and potential positions as they relate to the needs and changes of our very fluid industry. It

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would be anticipated that the findings from this consultation would be better preparing us for a more precise staffing analysis and recommendations for consideration within the next state budget cycle. I have been with Nebraska Tourism for three and a half years. I was first hired to implement LB684, then hired as a division director, and then hired and rehired by the commission. During that time, we have collectively seen an increase in our cash funds by 23 percent: a 7 percent increase in 2011, an 8 percent increase on top of that in 2012, and another 8 percent increase in 2013. We are currently on track to be at another 8 percent increase, if not slightly higher, for 2014. Though I cannot, nor would not, claim these successes and increases by myself, it is truly a representation of the results of collective efforts in building stronger partnerships across the state, with additional opportunities within our industry, including statewide associations partnering with state agencies, nonprofits, and the private sector. All of these partners understand the value of tourism and the impact it has. The percentage increases mentioned have resulted in annual revenues that exceed our current cash fund expenditure authority. At this time, the commission will respectfully ask that the committee appropriate an additional \$350,000 in cash funds for the fiscal year '13-14 and an additional \$750,000 in cash funds for fiscal year '14-15. If the appropriations of these funds would allow the commission to enhance our additional marketing effort and develop even stronger partnerships with organizations that bring national-caliber events to Nebraska. We need to be involved in the planning process. This helps us do so. This helps us approach these national activities on a way that we can't when we're isolated by ourselves. At this time, the Nebraska Tourism Commission is asking for your support in our request to access our cash funds and conduct staff desk audits. I would make a note there that there's no expense to conduct the staff audits; that's just going to occur because we think it's the fiscally responsible thing to do. We would like to thank Senator Mello and the committee for bringing the value and importance of tourism before the body and believe that the future of tourism plays an important role in generating revenue for our communities, our counties, and the state of Nebraska. Tourism is a key segment of the Nebraska state economic base and, as the state's third-largest industry, plays an important and critical role in the vitality of our state. And I would attempt to

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address any questions should any members of the committee one. I also have a chart, if I may, that was distributed. This just shows you a little bit of history and pattern flow from the Visitor Improvement Funds for the past ten years. And you'll see here that we've really done a...actually a pretty good job holding our own on our expenditures, being really, really tight. You'll see a little increase there, and that was when we made our move. But otherwise, the increases in fundings and...I mean the cash funds, have been very impressive the last three years. [Agency 91]

SENATOR MELLO: Thank you for your testimony... [Agency 91]

KATHY McKILLIP: Um-hum. [Agency 91]

SENATOR MELLO: ...Director McKillip. Are there any questions from the committee? [Agency 91]

KATHY McKILLIP: Wow, really? [Agency 91]

SENATOR MELLO: Seeing none, thank you. [Agency 91]

KATHY McKILLIP: (Laugh) Okay. [Agency 91]

SENATOR MELLO: Is there anyone else here wishing to testify on Agency 91, the Nebraska Tourism Commission? [Agency 91]

WALT RADCLIFFE: Senator Mello and members of the committee, my name is Walt Radcliffe, and I'm appearing in an unusual circumstance: pro bono and as a volunteer. (Laughter) But Ms. McKillip and I were talking earlier, before this hearing, and she related to me her request that you appropriate some cash funds. And those of you--well, everybody was on this committee last year--recall efforts that I attempted to get some money for the U.S. Senior Open in Omaha, and there have been some other events

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over the years that I've represented here. And the one thing that was always apparent to me was that funds were available, and it was really a question of allocation. And it never...it didn't seem to me that...not...I mean, this committee has a lot to do without having to decide what sporting event they're going to support or not support. And the Tourism Commission, that's their job. And it would just make sense to me that as long as the funds are down there, they should have the authority to spend them. And I know I've talked to many of you about even setting up a separate fund to do that, but in this instance I think you can solve both things with money that's there just simply by giving them the authority to spend what they have and, I would hasten to add, what they've taken in. So that would be the extent of my testimony. And I'd be happy, Senator Mello, to answer any questions. [Agency 91]

SENATOR MELLO: Thank you for your testimony, Mr. Radcliffe. Are there any questions from the committee? Seeing none, thank you. [Agency 91]

WALT RADCLIFFE: Thank you. [Agency 91]

SENATOR MELLO: (Exhibit___) Is there anyone else wishing to testify on Agency 91? Seeing none, for the record, the committee received letters of support for the Tourism Commission's deficit request from the Nebraska Hotel&Motel Association, the Omaha Sports Commission, and, finally, a letter of support for their budget request from the Nebraska Travel Association. With that being said, that will close today's public hearing on Agency 91 and end today's public hearings for the day. Thank you. [Agency 91]