

1                   PENNSYLVANIA HOUSE OF REPRESENTATIVES  
2                   TOURISM AND RECREATIONAL DEVELOPMENT HEARING  
3                   FRIDAY, JANUARY 29TH, 2010

4                   - - -

5                   COMMITTEE MEMBERS PRESENT:

6                   CHAIRMAN THADDERS KIRLAND, Chairman  
7                   MICKEY ROWLEY, Secretary  
8                   REPRESENTATIVE STEVE BARRAR  
9                   REPRESENTATIVE DOM COSTA  
10                  REPRESENTATIVE DAN MOUL  
11                  REPRESENTATIVE STEVE SAMUELSON  
12                  REPRESENTATIVE JOHN PAYNE  
13                  REPRESENTATIVE ROBERT MATZIE  
14                  REPRESENTATIVE VANESSA BROWN  
15                  REPRESENTATIVE PAUL COSTA  
16                  REPRESENTATIVE SUSAN HELM  
17                  REPRESENTATIVE MARGUERITE QUINN  
18                  REPRESENTATIVE CURTIS SONNEY  
19                  REPRESENTATIVE BRIAN ELLIS

20                  PRESENTATION:

21                  ELIZABETH SECHOKA

22                  GRAND FACILITATOR:

23                  LENWOOD SLOAN

24                  HELD AT: The Hyatt Regency

                  201 South Columbus Boulevard  
                  Penns Landing, Philadelphia

                  REPORTED BY: Krista Morici,

                  Court Reporter-Notary Public

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2 (Whereupon, the meeting commenced at  
3 approximately 11:10 a.m.)

4 - - -

5 MR. ROWLEY: Good morning. This is a  
6 special meeting and is to remind we meet quarterly.  
7 (Inaudible) this is a special meeting and it is  
8 special for two reasons; we started last meeting at  
9 Lancaster presenting various state funding mechanisms.  
10 (Inaudible)

11 The Chairman of the Philadelphia area  
12 thought it would be successful and he suggested a  
13 joint meeting and this is what this is.

14 I wasn't anticipating such a terrific  
15 turnout, but let's go to the motions and make sure  
16 everyone is here because I think it's only fair for  
17 the house members.

18 Let's go around the room, but let me start  
19 with the members of the House Authority and  
20 Recreation.

21 (Whereupon, members introduce themselves.)

22 MR. ROWLEY: I think that is everybody.  
23 I'd like to ask our two chairmen or committee chair to  
24 have some opening remarks.

1           CHAIRMAN KIRLAND: I think first of all,  
2           good morning to each and every one of you this  
3           morning. We appreciate the opportunity to join with  
4           the Tourism Partnership Team in having this joint  
5           meeting. With us is the Tourism and Recreation  
6           Committee. I just want to say that we realize the  
7           seriousness of what's going on with the budget cuts,  
8           and what have you. We're trying -- we're feverishly  
9           working together with you to try to find out how we  
10          can make this thing better, how we can make sure that  
11          the funding is available and adequate.

12                 Steve Barrar and I have made a commitment  
13          to work with our committee members to make sure -- to  
14          make sure that we do everything in our power as  
15          possible to find ways to even look at a dedicated  
16          funding to kind of write this role. We understand  
17          your pain, we feel your pain, and we understand that  
18          working collectively we can get things right.

19                 So we're here today to hear, to learn, and  
20          to try to get some information so that we can be as  
21          helpful as possible to you in the industry, so we  
22          could put Pennsylvania back in the number one spot.  
23          So we thank you for inviting us, and meeting with us  
24          as we move forward in the tourism and recreation in

1 the Commonwealth of Pennsylvania.

2 MR. BARRAR: Thank you. These certainly  
3 are trying times and after the recent announcement of  
4 additional budget cuts I can imagine the people in the  
5 tourism industry -- I just can't imagine what they're  
6 thinking, I've never seen anything like it but -- most  
7 of us have never seen an economic period like this  
8 probably since the 1970s. It's been this bad. So we  
9 really have a lot of challenges ahead of us.

10 We had a meeting last Thursday in the -- in  
11 the House of Representatives and just kind of an idea,  
12 that, you know, you just kind of throw out different  
13 ideas and I think all the members of the committee  
14 realized that one of the top priorities has to be some  
15 source of dedicated funding and it's the only way that  
16 we're going to be able to properly fund the TPAs and  
17 really promote tourism the way we should in  
18 Pennsylvania.

19 I had some ideas, some people are happy  
20 with it and some people aren't, but we will get to  
21 that discussion later on today. Thank you.

22 MR. ROWLEY: Thank you. We're here for the  
23 agenda. So I'm going to suggest we stop and set aside  
24 the agenda for a moment. The intent of this meeting

1 is to kind of roll up our sleeves, study what other  
2 states do as presented by Elizabeth. Just so you know  
3 last -- yesterday afternoon the House Committee met in  
4 an information session whereby Elizabeth went over  
5 practically everything, the funding history, and  
6 current setup. A really deep dive into the various  
7 ways. We do that for the benefit of the committee  
8 members and to spare those of you who sat through this  
9 in Lancaster from hearing it again.

10 But I will ask Ms. Sechoka to give a quick  
11 overview because a couple of states have particularly  
12 different funding mechanisms, we will review those.  
13 And we're going to hand out -- and I assume we have  
14 enough for everybody, with what every state does, and  
15 what its budget is and how it derives those funds.

16 Before we get into it, however, if we want  
17 to have a discussion and I'll ask the partnership  
18 members if you want to kind of suspend the agenda  
19 before we get into that discussion and have a specific  
20 discussion about the funding reserve action of last  
21 week, we're happy to do that.

22 The Chairman said we feel your pain. In  
23 the event our budget -- we were at one point, I think  
24 the fifth largest tourism marketing state in the

1 country. Today, Elizabeth, we're the 35th or  
2 something like that. We used to have a \$15 million  
3 budget, now we have a five and a half million dollar  
4 budget. What that means to us is we have had three  
5 furloughs in the state layoffs. We already have, I  
6 think, the smallest state tourism office in terms of  
7 personnel. We surely have had the difficult decision  
8 with the personnel. We have eliminated the travel  
9 guide, we might be the only state in the union that  
10 doesn't have a travel guide, that was something that  
11 was going to happen eventually.

12 We have a magazine that is fulfilling some  
13 of the demands of the travel guide. We have  
14 significantly reduced -- in fact, this year we have no  
15 communal media at all from your state. We had no  
16 campaign last fall, that was largely because the  
17 budget delay was so expensive we couldn't make  
18 commitments. So we are feeling the pain in the  
19 Harrisburg office.

20 And like I said, we used to be very smug  
21 about the size of our operation and the investment we  
22 made and where we rank against other states. We now  
23 rank way at the bottom of other states. In fact  
24 behind -- we were forced to review the whole state of

1 Pennsylvania, our budget is smaller obviously.  
2 Pittsburgh and Philadelphia are sizable and about the  
3 size of Montgomery County what we spend a couple  
4 million dollars below what they spend and a little bit  
5 in part what Lancaster spends.

6           So I've seen an office go from a pretty  
7 hefty one and had to make some interesting cuts to do  
8 the best we can. We're even being sued by someone in  
9 the state -- Penn State for our eliminating the  
10 promotional things we used to do for football  
11 Saturdays and you would think the affiliated entity  
12 could appreciate the situation that we're in. We're  
13 facing some tough times, we look forward to this  
14 discussion because we'd like to see the solution of  
15 services.

16           The state tourism offices investments and  
17 the grants' program that for years and years have been  
18 the biggest in the country, now we -- it's still a  
19 nice program with five million, there's still a few  
20 states that have a grater one than we do.

21           If we could suspend the presentation and  
22 allow anyone that wants to address this issue, the  
23 action we took last week, which was actually I think  
24 unprecedented asking for people to return money which

1 they actually already received. I didn't enjoy  
2 writing those letters and sending them but I think  
3 it's been a long time since the state ever asked for  
4 money back.

5 So if someone wants to speak about the  
6 constituents and wants to say something to advise the  
7 governor and to advise the tourism office on anything?

8 It's statutorily defined as advising the  
9 tourist office on any constituents exceeding five  
10 million dollars. There won't be any of those so we'll  
11 take any advice on anything if you want to express it.

12 I'm sure you've been asked this question a  
13 million times but just a couple things. (Inaudible)  
14 50,000 or so in your budget, those two are the data.  
15 And I guess in general if you have any insight if  
16 you've spoken about the rationale of the size of the  
17 cut, you know, in terms of the biggest cut and I think  
18 they were the 13th or 14th largest cut in the entire  
19 state budget terms. Could you go around and give us  
20 your thoughts as to why such a big cut?

21 MR. ROWLEY: First question. I'm not sure  
22 that we fully absorbed what the 750 in our budget  
23 means. I do know it's not going to impact interactive  
24 that we've planned and the work that we've planned,



1 we're okay on that. Am I correct?

2 MS. MAPE: Correct. In fact, we  
3 actually -- last year the budget reserve that we  
4 actually anticipated when we did our budget, so, you  
5 know, it's not going to impact our work with our  
6 online and made plans today.

7 MR. ROWLEY: As to the second question. I  
8 don't know what the budget people are dealing with  
9 when they are looking at the entire state. I do know  
10 that the reserve action was one that was communicated  
11 to us not allowing a lot of wiggle room or discussion.  
12 The numbers had to be met, it was just three months  
13 after the budget had been passed and the reality of  
14 the new depression were such that they had to do what  
15 they had to do.

16 Like I said, I wish I could understand what  
17 the secretary was thinking when she went with the  
18 numbers that she went with. I did talk to the  
19 governor, I did talk to him a couple times and did a  
20 follow-up memo because I'm not sure that in  
21 Harrisburg's direct awareness that this was going to  
22 result in the money coming back. I had a feeling that  
23 they didn't know.

24 The governor was exasperated when I

1 mentioned it to him and I mentioned it to him again  
2 because I didn't think he heard me the first time. I  
3 just kind of sort of explained the process and he was  
4 extremely frustrated with the process and extremely  
5 frustrated with the situation that he finds himself  
6 having to deal with. You know, (inaudible) no  
7 whining, and we're trying really hard not whine in the  
8 circumstances we're in.

9 I think the public television (inaudible)  
10 in the last one might have been the biggest number,  
11 the biggest percent, I think, was probably public  
12 television. I don't know what they were, you know, I  
13 can't explain it. It's easy to say but we may have  
14 been (inaudible) but we produce jobs and looking at  
15 the tally sheet your mind isn't just on the bigger  
16 picture, it's on meeting this and meeting that.

17 MR. FINK: I guess a couple of points. The  
18 first is, this is the second year in a row, why has  
19 the person or the secretary of Harrisburg, why is she  
20 still in the position that she's in if she's the  
21 person who's responsible for establishing the budget  
22 for the perspective not being able to define a budget  
23 that we have to live by and now we're retracting money  
24 back? This is the second year in a row that we're

1 sitting here in this situation.

2           Fortunately, from TPA's perspective, and  
3 from my industry's perspective, last year the state  
4 had not granted out the monies to us and we're put in  
5 the position to have to. This year as we are -- this  
6 year which is now looking at a situation where we've  
7 made contacts with private sector businesses. Many of  
8 those are businesses who are Pennsylvania based  
9 businesses and it's not that you're only impacting the  
10 nonprofit TPA, you're impacting the four profit  
11 business who we have relationships with, who you all  
12 sitting here as representatives are shareholders and  
13 stakeholders within your communities.

14           And I guess, that question still boggles my  
15 mind as to why nobody has asked that question as to  
16 why are we in this position again? I understand the  
17 first year we all knew maybe some people were caught  
18 off guard, but we shouldn't have been caught off guard  
19 this year. We should have had a much firmer, tighter  
20 budget that we're all going to live by. And to have  
21 to go back and do something that's been unprecedented  
22 in asking people to give money back that they have  
23 already contracted or have already spent is just  
24 amazing.

1                   I know as a TPA director and I would  
2     imagine anybody sitting here, if you're a business  
3     owner, you put yourself in a position that way that  
4     you're closing up shop or losing your job. And I'm  
5     just surprised what we're not sitting here -- I know I  
6     had to put on hold a project that -- when I received  
7     that notification I had to tell one, an advertising --  
8     a Pennsylvania based advertising agency that I was not  
9     moving forward with the project with them. And we are  
10    holding it until we hear a determination as to where  
11    our funding is at. And I imagine that there are other  
12    TPAs in similar circumstances wondering what's going  
13    on.

14                   MR. ROWLEY: I think we have plenty of  
15    time. I can't address -- I suspect she's really a  
16    hero, this is possibly a difficult situation. If  
17    you're questioning the estimated revenue it's -- the  
18    administration agreed to what the revenue estimates  
19    are, I don't think, you know, these are very unusual  
20    times. I don't know whether or not someone should be  
21    fired in all economic reality.

22                   As to the specifics of comments made and  
23    all that, we have to take \$2.5 million out of the \$8  
24    million appropriation with people having signed -- we

1 have three buckets on constituents -- agencies, 60  
2 applicants, 60 awards -- letter are out there of  
3 those, 32 have signed a contract and got the cash.  
4 For those we will honor because we have to honor  
5 commitments that are made because the cash was spent  
6 by the agency as long as it is in the contract or in  
7 the application for uncommitted funds that is what  
8 we're asking to come back.

9           The second is for those who haven't gotten  
10 the cash but have signed a contract. We're going to  
11 try to do the same with them even though they haven't  
12 gotten the cash, so they don't have to send it back  
13 but we will attempt to honor the commitments that have  
14 made that are under, we believe, the contract.

15           The third is, we're also asking the  
16 agencies who have award letters to tell us what  
17 commitments they have made or any obligations and  
18 we'll see where it leaves us come February 5th. So  
19 it's not the intent to cause anyone who has made a  
20 commitment or signed a contract with a subsequent  
21 agency or advertising firm to back out of those.  
22 We're certainly going to try to honor the commitments  
23 we have made. We'll see what the numbers are come  
24 February 5th.

1                   MR. JACK: I represent Pittsburgh and its  
2 county side region, which there are a few counties  
3 that unfortunately have smaller TPAs. These cuts are  
4 actually putting them in a position, well, do we keep  
5 the lights on or do we shut the doors, that's how  
6 close they are from closing up shop. I'm afraid that  
7 we're going to see that with some other TPAs  
8 throughout the state, that's a major concern and I  
9 think it would be for every community around  
10 Pennsylvania.

11                   I think that something has to be looked at  
12 through this process and some thought should be given  
13 to that because the last entry that you're going to  
14 see from them through way of advertising is the  
15 obituary and that's a bad thing to see.

16                   MR. ROWLEY: We're going to have Elizabeth  
17 give a high level of funding scenarios that different  
18 states employ. As said, details and ideas after we  
19 got into some details at Lancaster. She has enough  
20 information in her head and information that she  
21 probably has written down and if you have any  
22 questions interrupt and we can dig as deep into this  
23 as you want.

24                   MS. SECHOKA: Good morning. As Mickey said

1 these are trying times and what I'm going to go  
2 through and you've all seen my presentation -- well,  
3 not all of you, a lot of you have seen my presentation  
4 before where I've gone to select states and especially  
5 those that are fairly unique in the tourism community  
6 in ways of funding their tourism operations.

7 Today I'm going to go through applying some  
8 of those methodologies to Pennsylvania, what it might  
9 mean in terms of funding. Most of these are  
10 estimates, however, I'm not staking my life or any of  
11 my children on them but they are, I believe, in the  
12 ballpark.

13 First, Mickey, asked me to go over a couple  
14 of states and what has happened to those.

15 Connecticut, our neighbor to the north and  
16 east, they in their budget for this current fiscal  
17 year allocated one dollar for statewide marketing.  
18 They -- they pretty much if they are part of a larger  
19 office, the Culture and Tourism office, and they  
20 pretty much have enough money to keep the lights on  
21 because the workers in the office, they were able to  
22 keep the employees on but they really don't have many  
23 resources clearly with only a dollar budget. That's  
24 Connecticut.

1            Missouri, which has a dedicated funding,  
2            unidentified funding source in terms of their  
3            performance state budget, their initial appropriation  
4            was \$24 million and after they were asked to give --  
5            not asked, they were told that money was going to --  
6            they needed to take back from their appropriation,  
7            they're down to \$14 million, so they had a 10 million  
8            dollar cut in their budget plans.

9            Massachusetts just announced its budget for  
10           the upcoming fiscal year and their statewide budget  
11           they're proposed at \$1.75 million. Massachusetts used  
12           to have a huge budget, they were big in the  
13           international community and now they are down to --  
14           the budget last year was about \$4.0 million and this  
15           year its proposed budget is \$1.75 million.

16           So, Ohio, they did receive appropriation  
17           for this fiscal year. The next -- the upcoming fiscal  
18           year they are not funded. So they have enough money  
19           for this fiscal year with the understanding and an  
20           agreement with the governor that they were trying to  
21           find another source of funding that was not the  
22           general fund. So they are looking at a public/private  
23           partnership possibly modeled after Missouri which is  
24           still state dollars, but it's not something that has



1 to be gone through the usual appropriation process  
2 each year.

3 So with that there are -- a lot of the  
4 states have -- the tourism offices has been hit and  
5 money has been taken back.

6 I showed this map last time just to give an  
7 idea of how the states across the country fund their  
8 tourism operation. As you can see the green is the  
9 general fund appropriation. A lot of the states are  
10 in the east and especially in the northeast.

11 I want to point out New Hampshire which has  
12 changed actually. They are one state that in  
13 legislation recently passed, they are now going to  
14 dedicated funding source. The state increased the  
15 rate of the meals and room tax and that increase is  
16 now going to fund their tourism operation. Before  
17 that they were a general funding state.

18 Maine also is -- they also increased their  
19 rate. However, it is now subject to revenue and they  
20 will not know until June whether they will be able to  
21 keep the increase in their meals and room tax.

22 As far as I've contacted most states and  
23 gone through their appropriation measures and their  
24 direct budgets and pulled up what each state was --

1 their tourism operation, what their funding was for  
2 the current fiscal year and then organized them by  
3 their source of funding. Those states that depend on  
4 lodging tax their -- all states together, they had  
5 their budgets reduced by 5.6 percent in total.

6 For those states, including Pennsylvania,  
7 that rely on general fund appropriation they clearly  
8 had a large decrease.

9 The few states that rely on sales and use  
10 tax, their budget had been reduced by 18 percent,  
11 which makes sense because people were not buying and  
12 so there was less money supporting their operation.  
13 Most states used a combination of taxes, there are a  
14 couple of states. And they actually have a small  
15 increase. That number may go to the negative  
16 territory because there is talk that they will have to  
17 give back money before the fiscal year has ended.

18 Those who rely on lottery, gaming revenues,  
19 those four states, their budgets were down in a total  
20 of 11 percent. Florida and California -- California  
21 and Washington State and it's primarily California is  
22 simply keeping an increase. Their budget is for the  
23 California Tourism Commission, it's been a private  
24 company or entity and their budget is not a part of

1 the state appropriation even though California is  
2 having a difficult time as we all know. Since it's  
3 not a state fund they are not obligated to give  
4 anything back.

5 MR. ELLIS: Pennsylvania is a general fund  
6 state and the average is 24.8, what is specifically  
7 Pennsylvania's number, how far down are we?

8 MS. SECHOKA: We're down. If the average  
9 was 24 percent for general funds, where does  
10 Pennsylvania fall? We're down 62 percent.

11 Now, after giving just that quick overview  
12 of what's going on in the state, I'm going to go  
13 through some states and their funding mechanisms and  
14 then a brief overview and then what it would mean in  
15 Pennsylvania in terms of if we are adopting a similar  
16 system.

17 The first is Missouri, they have for a long  
18 time, over almost 30 years now, have had what they  
19 call the phone based funding mechanism where they look  
20 at they take the annual funding from the prior year  
21 and then if there has been any increase travel related  
22 -- sales tax collections or travel related industries  
23 above 3 percent they got 50 percent of the increase,  
24 but it is capped at \$3.0 million annually.

1           So in terms of Pennsylvania -- I put  
2           different colors on different caps. This is what if  
3           we had instituted back in 2004/2005 what our -- the  
4           funding stream would be. And it would be holding at  
5           \$38.7 million with a \$3 million dollar cap. \$42.3  
6           million if we had a \$5 million cap and \$48 million if  
7           they had no cap. And this takes into account two  
8           years when they -- well, clearly last year there was  
9           no increase or decrease in the sales and use tax  
10          revenue and one year when it was below 3 percent. And  
11          once again, this is an estimate.

12                 MR. ROWLEY: I'm not sure I even followed  
13          where the source of the revenue comes from.

14                 MS. SECHOKA: It comes from gross and sale  
15          taxes. For industries that are related to travel and  
16          tourism it's an accommodations, attractions,  
17          restaurants, rentals, and other types of equipment,  
18          car rentals.

19                 MR. ROWLEY: So this is basically a deal  
20          with new revenue --

21                 MS. SECHOKA: It is not a new tax on any of  
22          those industries. Those tourism offices just gets  
23          growth.

24                 MR. ROWLEY: Above cost of living?

1           MS. SECHOKA: Right. But, once again, they  
2 are subject to their dollars being appropriated  
3 annually. And I think even though -- Missouri right  
4 now should be up around \$39 million. If they received  
5 the allocation that was planned by the subsequent  
6 years it was less because there was competing things  
7 for the state dollars, so they were down to -- \$24  
8 million -- well, the money can only be used -- there  
9 is a line in legislation saying that the money goes  
10 from the general fund into a tourism fund and the  
11 legislation creating the tourism fund is saying that  
12 the money can only be used for travel related tourism.  
13 However, that provision has been ordered.

14           MR. ROWLEY: Has it grown last year because  
15 of the cost of living?

16           MS. SECHOKA: What Missouri does is they  
17 have a four year look back in order to take account  
18 they want to make sure that they have all -- any  
19 delinquent taxes, remission, that they get everything  
20 put in and also to accommodate the appropriation  
21 process. There is a time lag between when you're on  
22 the fiscal year, '04, '05 for example, those revenues  
23 would not be known until much later in the year,  
24 around like November. So it wouldn't go into effect

1       until the next budget cycle. But they compare three  
2       and four years. They go back three years and compare.  
3       So they technically, probably, could have had an  
4       increase. It's only a few years down the road in  
5       terms of having -- knowing that they would have been  
6       stable.

7                 If there is negative growth it does not  
8       result in a budget -- it should not result in a budget  
9       decrease, it should just be the same funding level as  
10      they were in the prior year. So that is Missouri.

11                California has what they call a mandatory  
12      self assessment. It's authorized by state law, but it  
13      only became operational when a business that would be  
14      subject to the self assessment levy they have to  
15      approve this and it's subject to approval every six  
16      years. Their last -- it was approved first in -- when  
17      the legislation passed it by 84 percent and then it  
18      went up to 87 percent in '91, and the last one it was  
19      91 more percent of the businesses subject to the levy  
20      being approved continuing the California Travel  
21      Tourism Commission which is their marketing entity.  
22      Which I mentioned before a private non-profit entity  
23      and was established in law. It's technically not a  
24      tax even though it's mandatory. If someone's supposed

1 to remit the levy and has not done it they are subject  
2 to \$10,000 in late fees. The program is administrated  
3 by the state tourism office, in terms of they send out  
4 the forms that people have to send back with their  
5 omission with the levy, but all money goes to the  
6 California Travel Tourism Commission. But they  
7 actually reimburse the state associated with  
8 administering the program.

9 The legislation that created this program  
10 explicitly states that all funds collected are not the  
11 property of the state government but of the  
12 commission, so that has shielded them. As I mentioned  
13 before state government has not been able to tap into  
14 their fund.

15 They have five categories of what they call  
16 accessible businesses. Accommodations, restaurant and  
17 retail, businesses, attractions, transportation and  
18 travel services with a couple exclusions. And these  
19 first four, their assessment is \$650 per one million,  
20 California gross per state, that were as low as 1  
21 percent of travel and tourism. Until 2006, passenger  
22 car rentals running above the company's level were  
23 subject to the same levy and then it only brought  
24 in -- they had hoped they'd enacted the legislation

1 that they bring in approaching \$50 million per year.

2           However, in the state that it contributed 7  
3 million it never reached that level if the industry  
4 assessment brought anywhere between \$7 and \$11  
5 million. So in 2006 they went back and reopened the  
6 log and they were able to get an agreement with the  
7 passenger car rental industry to increase their  
8 assessment to two and a half percent. And that has  
9 dramatically increased their budget. The passenger  
10 car rental segment is responsible for about \$39  
11 million of their \$59 million budget.

12           So the first four entities there is a  
13 requirement for them to be subject they have to have  
14 at least \$1 million annually in what they call  
15 California gross receipts or revenues and at least 1  
16 percent has to be derived from travel and tourism.  
17 This was a change in 2006, before that it was 8  
18 percent and there were a number of companies that were  
19 able to show that they had less than 8 percent derived  
20 from travel and tourism and increased a number of  
21 businesses subject to the tax they lowered based upon  
22 the levy and they decreased it now to just 1 percent  
23 of the revenue derived from travel and tourism and  
24 then you have to pay just on those revenues not on the



1 total revenues.

2 I mentioned before the assessment rate \$650  
3 per 1 million of California gross receipts derived  
4 from tourism with a maximum assessment of \$259,000 for  
5 businesses in those first four categories. The  
6 passenger car rentals there is no stealing on that,  
7 there is just two and a half percent.

8 Okay. This is a breakdown, there are 7,000  
9 companies that are subject to the assessment. 6,000  
10 of those are not passenger car rental companies. So  
11 the accommodation sector they are responsible -- they  
12 represent 62 percent of the companies that are subject  
13 to the levy attractions, 90 percent, et cetera. But  
14 when you look at the money collected it's actually the  
15 passenger car rental, they are responsible for close  
16 to 80 percent of the funds because their assessment is  
17 much higher, two and a half percent.

18 In Pennsylvania, this is my best guess, I  
19 looked at county business patterns and the economic  
20 assessments of 2002 to try and find out how many --  
21 what businesses in Pennsylvania would be subject to  
22 the assessment and this is my best guess. So clearly  
23 passenger car rentals would also account for the  
24 largest proportion of the funding and then the

1 industry would be much smaller. It would be around \$2  
2 million is my best guess of what if we adopted the  
3 system for all the another other businesses. It could  
4 be a little bit higher, would probably be in the \$1 to  
5 \$2 million dollars range, I would say.

6 South Dakota is a small state and I've  
7 always been intrigued that they actually have a  
8 tourism tax. It was -- it's been in existence for a  
9 long time and it was an industry initiative. They  
10 went to their legislation and they proposed a 1  
11 percent tax. It's imposed year round with certain  
12 entities, lodging, motor vehicle rentals, things that  
13 you would -- spectator, visitor attraction centers,  
14 things that would be open year round and you would  
15 expect that the travel and tourist would be  
16 responsible for purchases from those proposed  
17 residents.

18 And then it's imposed just during the  
19 summer months on what they call visitor intensive  
20 business. So they use these businesses where they  
21 derive at least 50 percent of their annual revenue  
22 during the June to September period. And their  
23 souvenir shops, craft shops where you would expect  
24 their revenue to come from the traveling public as

1       opposed to residents. But they don't rely solely on  
2       the tax, the tax only provides 51 percent -- little  
3       over 50 percent of the revenue for their state tourism  
4       operation. They also get a share of gaming tax  
5       revenue, it's actually mandatory, and they transfer 4  
6       percent to the gaming tax. 17 percent still comes  
7       from the general funds and other than the small  
8       proportions funds through advertising and interest  
9       earning.

10               MR. ROWLEY: Do you know what their state  
11       sales tax rate is?

12               MS. SECHOKA: I honestly don't know.

13               And this year they have increased the tax  
14       rate, it's just temporarily between July 1, 2009  
15       effective to June 30, 2011. They feel that by 2011  
16       the economy will have recovered enough to account for  
17       some decrease in the revenue from the tourism tax,  
18       they increased the rate by a half percent. And the  
19       increase is going for an archeological research center  
20       and a cultural program, but the tourism office is  
21       getting a share of those funds also.

22               And if Pennsylvania were to do this I have  
23       no data that would segregate out what if we did it, if  
24       we carved an assessment just on certain months. So I

1 made this year round on our sales tax collections for  
2 similar entities. And if we had a 1 percent year  
3 round tourism tax and I based it on the -- our sales  
4 and use tax collections on accommodation historical  
5 sites, sports, et cetera, gambling recreations.

6 And I would expect 2009/2010 to be less  
7 than that amount just due to the economy, you know,  
8 you can see there was growth and I wouldn't expect it  
9 to drop below \$38 million.

10 Arizona uses a combination of funding  
11 sources to fund their operation. They have a law that  
12 stipulates they are to receive three and a half  
13 percent of the revenue coming into the state for the  
14 state, five and a half percent state bed tax. 3  
15 percent of revenue coming into the state from the  
16 state amusement tax and 2 percent of the revenue from  
17 the restaurant tax. And their department is a  
18 mandated tourism fund and even though the fund does  
19 state that the fund money can only be used for tourism  
20 and travel purposes it's mandatory for the state they  
21 have -- they have something called sweeping where  
22 funds -- not only their funds, but other state funds  
23 when money is needed they go and they -- it's called  
24 sweeping.

1           They sweep fund -- a portion of the funds  
2     out of their -- these funds. So Arizona has seen a  
3     decrease in the budget, the budget should have been  
4     much higher than it was but the funds were swept, they  
5     had a decrease.

6           Illinois also has a tourism fund. They're  
7     another state funds have been swept but their funds  
8     have a surplus, so they saw no decrease this year  
9     because they are allowed to keep maintaining a budget  
10    surplus.

11           So if Pennsylvania has --

12           MR. BARRAR: Does Arizona have a sales tax,  
13    on top of the items that they have an amusement tax do  
14    they also do a sales tax on top of that and also with  
15    the restaurant tax or is that an independent tax other  
16    than the sales tax?

17           MS. SECHOKA: I will have to go and look  
18    that up, I did not look at that.

19           MR. ROWLEY: Are those separate taxes or --

20           MS. SECHOKA: They are separate taxes.

21           MR. ROWLEY: So they are not taxes  
22    generated from the sales tax?

23           MS. SECHOKA: No. In Arizona they have a  
24    variety of taxes and they do have a restaurant tax,

1 and they do have a bed tax, and they do have an  
2 amusement tax. They do not follow under sales and use  
3 tax in the general.

4 So Pennsylvania, has based on the revenue  
5 that our state has collected, we don't have a  
6 restaurant, we have a sales tax. And I looked at the  
7 collections from the Pennsylvania sales tax and we had  
8 three and a half percent of the revenues that came  
9 from accommodations. This is what it would be if we  
10 had 3 percent from restaurants, this is what it would  
11 mean if we -- we came up with about \$20 million in  
12 terms of funding.

13 Those are just some of the states. I  
14 purposely did not look at Florida, they have a flat  
15 rate, they're 15.75 percent of their \$2 per day car  
16 rental assessment and that has been in place since  
17 1990. And because it's a flat rate the \$2 is a flat  
18 rate, it has not grown with inflation and the last  
19 several years Florida has their visits. Florida  
20 organization has had much trouble because their budget  
21 has not increased with inflation. Clearly, because \$2  
22 in today's economy buys a lot less than \$2 when it was  
23 first established. So for that reason I did not look  
24 at Florida. Their budget is subject to revenue from

1 general appropriations.

2 MR. DRUCKER: Arizona state sales tax is  
3 5.6 percent. Phoenix, Arizona is .7 percent sales  
4 tax. That's a total of 6.3 and in each city may add  
5 sales tax. So that's basically a 5.6 for most  
6 counties.

7 MS. SECHOKA: So I decided to look at a  
8 couple other funding scenarios just to play around a  
9 little bit, just to see what it would mean. And the  
10 first thing to look at some revenues from existing 6  
11 percent hotel occupancy tax. This is the state sales  
12 tax on lodging. It is not a local room tax, the state  
13 does have a 6 percent occupancy tax, it's the same  
14 rate as state sales tax and so these are state  
15 dollars. So if we have 1/6 share equals on percentage  
16 point, we bring in about \$26 million annually. And if  
17 we had 2 percentage points it would bring in double  
18 that and it would be \$52 million.

19 MR. ROWLEY: It's already being generated  
20 for the Commonwealth, correct?

21 MS. SECHOKA: Yes, this goes into the  
22 general funds.

23 MR. ROWLEY: So we would need the  
24 appropriation's chairman to give us this dedicated

1 funding of the general funds?

2 MS. SECHOKA: Yes.

3 MR. ROWLEY: And can you put that answer up  
4 there as well?

5 MS. SECHOKA: But it would not mean a tax  
6 increase, it would just be reallocating the state  
7 dollars and dedicating it for the state dollars. And  
8 how that in whatever funding level is decided upon and  
9 clearly at the \$70 million level a lot of the things  
10 probably include cultural, heritage and state grant  
11 programs and there is less available with \$26 million  
12 which is still a nice sum of money.

13 And then my last one is looking at  
14 Connecticut and Ohio with zero funding. And clearly  
15 it's an ugly -- I think it's an ugly result and it's  
16 what we hope not to see clearly.

17 And as I ended my presentation yesterday in  
18 Lancaster, I just -- I really liked this. It shows  
19 that Pennsylvania visitor's industry is far reaching  
20 and much larger than just the state tourism office, it  
21 touches many, many entities and many, many businesses  
22 that employ a lot of people and generates a lot of  
23 income for the state. And I have to thank my  
24 colleagues in Oregon for actually doing the templates



1 for this and the specialties group, bed and breakfast  
2 and the performing arts.

3 MR. DRUCKER: Elizabeth, are these all  
4 subsets where you can measure the tax revenue?

5 MS. SECHOKA: I'm very limited what I can  
6 measure from the data -- the department of revenue  
7 will provide to me if it becomes less, if just a few  
8 entities remain the tax, then I don't get the data.  
9 I've tried to get data for many years, most of the  
10 data I get is non-disclosable even though I promised I  
11 wasn't going to release them.

12 That's my presentation. I hope it gives  
13 you some ideas, some possible ways to look at a  
14 dedicated funding source.

15 MR. PAYNE: Actually, I'm just trying to  
16 set up a group. Has anybody ever set out and add up  
17 the museum funding, the tourism money, the \$75 million  
18 film tax credit, what do we take out of our general  
19 funds now to fund these operations because all I saw  
20 here was, gee, you know, if we had 50 percent of the 6  
21 percent of hotel sale tax occupancy this is what we've  
22 generated. I doubt that a lot of votes are going to  
23 take 50 percent of the current sales tax coming out of  
24 the general funds, it would just be a burden. But

1 what would be interesting to know is if we could fund  
2 current things that we're funding out of the general  
3 fund through some percent like 6 percent hotel tax.  
4 Do you know what I'm trying to ask?

5 MR. ROWLEY: I think you're trying to ask,  
6 where we restore some funding for -- will we restore  
7 the heritage areas funding the \$2 million annual  
8 museum --

9 MR. PAYNE: For the legislative, who are  
10 the nonpreferred ones? If we took all the museums,  
11 and those other organizations off the preferred list  
12 and we look everything else that's possibly related to  
13 the tourism, including the \$75 million film tax  
14 credit, and you had that on your expenditure side does  
15 the 6 percent on the hotel ground, what percent of  
16 that would have to go to pay for all this?

17 So in essence it's not a new tax per se,  
18 we're shifting the tax on the sales tax on the hotel  
19 room, we're funding out of general fund, it would grow  
20 based on the number of people that keep coming.

21 MS. FRANCO: I just want to mention that  
22 one of the things that we're trying to track is  
23 exactly that from the museum side to really begin to  
24 look at where those funds are coming and looking,

1       actually, at a kind of a formula of how museums would  
2       be funded, what it would cost, if it was done for the  
3       board to the nonpreferred, the dedicated funds for  
4       different things and our grants program, put that all  
5       together. And then looking at it in terms of what are  
6       the operating budgets of all of the museums of the  
7       commonwealth and saying what percentage of their  
8       operating budgets might be looked at as support, so  
9       there would be across the board support. And we're  
10      looking at that and we've been working with the  
11      federation on pulling those numbers together.

12               MR. BARRAR: Is there anyone here who  
13      represents campgrounds or marinas? I'm just wondering  
14      and just why this presentation was taking place, do  
15      the campgrounds or the marinas, do they charge the  
16      hotel occupancy tax?

17               MR. ROWLEY: They don't. We have member on  
18      the board but she is not here today.

19               MR. BARRAR: Do you have any campground  
20      slips and marinas? I mean, is that a possibility to  
21      expand that into, you know, the state and privately  
22      owned campground and marinas? I know I pay a fee, I  
23      keep a boat on the Chesapeake, and I pay a \$50,000 a  
24      year tax to the state of Maryland. I think it goes to

1 the Chesapeake Bay clean up and promotional Chesapeake  
2 Bay issues, I don't know if any goes to tourism but  
3 it's something to think about.

4 MR. ROWLEY: Any other thoughts about the  
5 stuff that Elizabeth presented?

6 MAN 1: What's the history on that 6  
7 percent one?

8 MR. ROWLEY: Well, it's complicated. We  
9 have two taxes on hotels we refer to as the local tax.  
10 The reason that the hotel occupancy tax is segregated  
11 through legislation because after 30 days it doesn't  
12 apply quite exactly the same as the sales tax. The  
13 other tax that is out there now of 60 some counties  
14 there are two counties that do not charge a tax, one  
15 which has no hotel rooms. But there's 12 different  
16 statutes that impact those 60 some counties.

17 MAN 1: So they are all a capped  
18 percentage, right? There is a limit to where they can  
19 go?

20 MR. ROWLEY: Yes, it is capped. Counties  
21 just can't pass without coming back to Harrisburg.

22 MR. PAYNE: It's capped at five max?

23 MAN 1: In addition to six?

24 MR. PAYNE: Well, the max that I know of is

1 five.

2 MR. ROWLEY: Philadelphia is larger than  
3 that.

4 MR. PAYNE: I stand corrected.

5 MR. ROWLEY: Some of the counties are  
6 capped at three points.

7 We're going to shift -- not knowing that we  
8 would have so many visitors, we are not going to be  
9 able to provide lunch for everybody. We are free to  
10 have lunch. We allow everyone to be there but we are  
11 not obligated to feed everyone.

12 We are going to shift to Lenwood, if you  
13 recall he was at the meeting in the spring. So we are  
14 going to divide up the lunch tables and we want good  
15 discussion at each lunch table and we want good  
16 representation at each lunch table also.

17 We're shifting now to the discussions and  
18 facilitated discussions so we can get some ideas from  
19 you all.

20 MR. SLOAN: So good afternoon to you. The  
21 first thing that I wanted to do is to get -- go back  
22 for the record and ask you for top of mind -- top of  
23 mind responses or reflections on the numbers. And we  
24 can go off of Elizabeth's presentation for the record

1 and as a way of organizing and framing, what are some  
2 of the top of mind responses to the information that  
3 Elizabeth has prepared for you?

4 MR. LEVITZ: That 6 percent sales room tax  
5 as it exists now, could possibly legislate any  
6 increase in that going forward, any increase in that 6  
7 percent would be dedicated back towards tourism, that  
8 way the state would have a baseline of revenue that  
9 would not go down and then the increase would be  
10 dedicated to our industry.

11 MR. ROWLEY: That's the Missouri plan.

12 MR. SLOAN: Off the top responses  
13 reflections or ideas, questions that Elizabeth  
14 information brings up?

15 We ask this question --

16 MR. ELLIS: I have a question. What is a  
17 good target goal level funding for tourism, like in  
18 our mind what are we thinking is a good level?

19 MR. ROWLEY: Well, that's a two part  
20 answer. One is the grants program can be whatever  
21 it's agreed to be. For the state's advertising and  
22 promotion California spends \$50 million, ten of which  
23 they spend internationally. We spend maybe \$600,000  
24 internationally and we're a big state, we -- it seems

1 to me we should be in the top five.

2 Michigan spends \$30 million just on the  
3 advertising and promotion. Texas is bigger than us,  
4 New York is not impressive in any way --

5 MR. ELLIS: 20 or 30 million?

6 MR. ROWLEY: If we were to spend a few  
7 bucks on product development, heritage areas maybe  
8 some of the PHM tourism. It seems to be this is  
9 around a \$50 million discussion, maybe 29 million in  
10 grants, 25 and some of it is a television supporting  
11 project.

12 MR. LEVITZ: I have a couple questions.

13 Elizabeth, that was really very good, thank you.

14 Your question, representative, was very  
15 interesting. I wasn't sure what you meant by capital  
16 operating and marketing because we'd been talking  
17 about different numbers so I would like to hear a  
18 little more about that.

19 Mikey, Elizabeth and Linwood, what we've  
20 seen this year especially and a little bit last year  
21 is that getting funding into the budget is one whole  
22 process, getting the funding out of the budget seems  
23 to be quite a different process. And what the concern  
24 is when Elizabeth was talking, I don't know how much

1 information she has of this, is what is the funding  
2 mechanism, who does this go through, what do contracts  
3 say, what are the platforms for this kind of thing,  
4 what are the timing issues?

5 So I think we're all willing to walk  
6 through all of the work on levels and sources, but the  
7 process of getting it out seems to be equally  
8 important.

9 MR. FIORE: When you're talking about  
10 getting it out are you talking about getting it out at  
11 all or getting it out in a timely fashion?

12 MS. LEVITZ: I'm talking about both.  
13 California seems to be independent as a state with its  
14 own commission and I don't know how they decided who  
15 gets what. And with the other it seems to be some  
16 department of the state that does that, but I don't  
17 know whether their provisions there that say that this  
18 is the one and only funding mechanism. So that is  
19 kind of where I was going.

20 And I don't know how California was able to  
21 do it like that or if that's even a good thing. But I  
22 think how it would relate to Pennsylvania and the DCD  
23 programs in place. All the different kinds of  
24 organizations and we're talking about heritage, art,



1 and culture and tourism and possibly outdoorism, all  
2 of that and it seems like it takes a very long time to  
3 set that up in a very good way. I'd be interested if  
4 Elizabeth or somebody knew how that worked because  
5 we're tripping up on that.

6 MR. SLOAN: This is a five-part process,  
7 advocating for a budget, securing that budget,  
8 contracting for that budget, disseminating that budget  
9 in a timely way, disbursing and dissemination and then  
10 reporting and evaluating.

11 MR. ROWLEY: I'd add one more, insulating  
12 it from the general fund process. That's a good  
13 point.

14 MAN 2: Generally, there are programs that  
15 come off -- off the line of the state budget. Kathy  
16 and I both work with the Commonwealth Financing  
17 Authority, that's all done by bona fide answers. And  
18 in fact it was affected in the past fiscal year based  
19 on the general appropriation bill. So there are  
20 plenty of models in state government that are off on  
21 line of the general budget that are either a function  
22 of bond funding or are a function of fees that they've  
23 generated. PITA obviously does loans and can  
24 recapitalize themselves on that basis.

1           MR. TAYLOR: But they still have to list  
2 that on the budget as a line item. Even in the State  
3 Lake Boat Commission always comes to the state and  
4 they have to have their name --

5           MR. ROWLEY: And it has to be re-enabled?

6           MR. TAYLOR: They have to have a list  
7 through the budget and has to be on the budget  
8 separately and dedicated to them.

9           MR. ROWLEY: But the budget registration  
10 could go away in theory?

11          MR. TAYLOR: Well, Al and I actually talked  
12 about the same thing, what I'm saying is using the  
13 Commonwealth Financing Authority as an example or PITA  
14 as an example, he's right, PITA is a part of the state  
15 budget and they can appropriate money. But even if  
16 PITA doesn't get appropriated money for that fiscal  
17 year they have -- you know how it works.

18                   And in the case of CFAs there was set of  
19 bonfire financing which was agreed to between the  
20 governor and the general assembly. So last year when  
21 we were negotiating the budget, the work with CFA we  
22 didn't see any cuts because it was there. But in our  
23 points there are, you know, other arrangements where  
24 the general assembly has to --

1 MS. SCIENCE: Crystal Science from the  
2 Greater Reading. I am sorry I was late, but I was  
3 driving around this beautiful city lost and thank God  
4 for the visitor center.

5 I'd like to just make a comment that we  
6 talked about Connecticut, Massachusetts and Ohio not  
7 receiving any funding this year so I'm grateful that  
8 we are receiving something. However, I think what  
9 others are reducing we should receive the opportunity  
10 to market more because marketing needs our sales tax  
11 revenue. And that sales tax gave us a lot of the  
12 revenue in our budget this year. And we started to  
13 reduce tourism and tax revenue and we started to  
14 reduce other money going into the general fund for the  
15 state.

16 I'd also like you to think outside of the  
17 box a little bit and we do an awful lot of (inaudible)  
18 and at this point that the -- receiving millions,  
19 millions of dollars. How are we going pull people in  
20 if we don't have money to market them and why can't we  
21 look at shipping some of those monies into the  
22 operations for the next year or two to help us  
23 survive.

24 MR. SLOAN: Now, in the interest of time

1 I'm going to let this conversation simmer for a  
2 minute.

3 I want to ask a question that may seem  
4 obvious and therefore a bit naive, but in the interest  
5 of the task a lot -- not only in the afternoon for  
6 this partnership, we began that process with what is  
7 the task of the partnership, what is the challenge of  
8 the partnership, what are the actions of that step?

9 So I'd like to you consider what is the  
10 challenge of this -- in this partnership in the year  
11 ahead giving the reality of the economic time? And  
12 what is kind of three things that we might want to  
13 talk about, but we want to look at the top three top  
14 of mind challenges for the partnership and the  
15 industry in the year ahead given the reality of the  
16 economic challenge that we're having.

17 MAN 3: My question goes to the legislators  
18 that are sitting here, what are you hearing? Because  
19 I know what I'm hearing and it's going to be an ugly  
20 process again this year and if we're going to be  
21 putting a case together with the elections coming up,  
22 with the change in governor and everything, the  
23 political reality needs to be discussed and that  
24 should be a discussion as well as part of this as to

1       how we game plan on this, because realistically we're  
2       going to be competing against everybody else and it's  
3       going be putting together a strategy that is going to  
4       have to be about everybody else.

5               And sitting here, and I guess my question  
6       from everyone sitting on the legislature side of it  
7       is, what do we need to do because we've been banging  
8       our heads here for the past few years and  
9       realistically the landscape is potentially going to  
10      change and I hate to tiptoe around it so I'm not going  
11      to, I rather just ask the question right up front as  
12      to how do we deal with this.

13              MR. SLOAN: Well, I think the one thing  
14      that is very obvious is that we have some funds --  
15      some dedicated funds. We don't want to keep coming  
16      back to the same situation year, after year, after  
17      year finding ourselves in the same hole and having to  
18      say here is some money and then take it back. We  
19      don't want to do that. We've seen in some  
20      interesting -- and both representative and myself have  
21      been looking at those, discussing those, trying to  
22      find ways out how we can (inaudible) in Pennsylvania.

23              Finding real sources of dedicated funds we  
24      really have to take a strong hard look at that and we

1 really need you to help us look at that because as I  
2 said before there are some folks that are happy with  
3 some of the stuff we do, there are some folks that are  
4 not going to be happy. That's one of the top  
5 priorities that we have to look at as we move forward  
6 to the new year.

7 The challenge obviously is money, but the  
8 disseminating of that money, the security of that  
9 money, the timely contracting of -- I'm trying to  
10 get -- we know that the money is the top challenge.  
11 But what other challenges in this industry do we have  
12 and as partnership here?

13 MR. BARRAR: I really think the more -- I  
14 think if you saw last year's budget process was bad,  
15 anyone who thinks this is going to be any easier or  
16 shorter than a hundred days I'll bet we're not out of  
17 Harrisburg anytime in the summer, July or August  
18 depending on -- hearing right now people don't want to  
19 pay any more taxes. We're -- businesses are saying,  
20 we can't afford any more tax increases, we can't  
21 create jobs, we can't keep the jobs we currently have  
22 if you raise the taxes on us. So I think it's -- the  
23 sooner we can find some source of dedicated funding  
24 and get -- basically getting less reliance on the

1 general budget then you're going to be better off, but  
2 until that happens you're going to be at one of the  
3 governor politicians.

4 And in a year we see, you know, a new  
5 governor coming in, we don't know what his priorities  
6 will be. I don't know if anybody, Mickey, if you've  
7 been privileged to know what the governor's  
8 projections towards our coming budget that he'll  
9 announce to us in two weeks. I don't know if we'll  
10 see any restoration or if we'll see the same \$5  
11 million placed in there. But if anybody thinks that  
12 there's going to be -- especially in an election year  
13 any votes at all to raise taxes. You saw it took us  
14 101 days last year which is unprecedented in the  
15 country, I think we're going to have the same tough  
16 year. It's going to be very, very difficult.

17 MR. PAYNE: Guess in the follow-up to that,  
18 what I'm hearing and I've seen is the senate is not  
19 interested in discussing any new tax. When you're  
20 talking dedicated source of funding that requires most  
21 likely in your taxes. Unless you're going to cover  
22 general funds but in a way you're still taking money  
23 from somewhere and they're taking money from us right  
24 now.

1           So I guess, I'm struggling right now to  
2 understand how are we getting this together. I mean,  
3 we're all sitting here and trying to tackle this, but  
4 how are we going to be able to get your colleagues on  
5 the house side who aren't here today. As well as  
6 those in the senate to understand that this industry  
7 does generate new revenue for the commerce and when  
8 they pull money away you lose the opportunity to  
9 generate new revenue for the state, which is defeating  
10 the whole purpose that we're trying to do.

11           MR. BARRAR: If I could put a new tax on  
12 those two million people -- we are going to vote for  
13 additional taxes, but especially in this year  
14 especially with this economy but the 2 million people  
15 who come to Gettysburg how do we get them to --  
16 because when people go on vacation they are not  
17 looking at the tax.

18           I just went to New York for two days and  
19 paid almost \$160 in the hotel room taxes. They even  
20 put the hotel room tax on the valet parking for your  
21 car. And when I got my bill I was stunned. You know,  
22 I never considered it when I went to New York for two  
23 days what my taxes were going to be. And I think  
24 anybody that goes to Gettysburg or gets a hotel isn't



1 looking at that tax. That's the only place I think  
2 that we're going to be successful.

3 MR. SLOAN: Mickey had a comment and then  
4 Rebecca.

5 MR. ROWLEY: I think what you're asking is  
6 is this the year to be tackling this?

7 MR. PAYNE: My thing is, is there  
8 willingness to do some type of taxes that's going to  
9 generate -- going be a tax on somebody?

10 MR. ROWLEY: Not necessarily, Missouri plan  
11 is not a tax -- not any tax on anybody.

12 MR. PAYNE: Yeah, but you're talking about  
13 essential general funds and --

14 MR. ROWLEY: Not on Missouri plan, that's  
15 only growth, if that's a sufficient word, growth, it  
16 or similar in the direction that Ohio goes.

17 MR. PAYNE: Or the voluntary plan  
18 (inaudible) hotels, restaurants where they say we  
19 voluntarily tax ourselves.

20 MR. ROWLEY: Yes.

21 MR. PAYNE: In Florida we're hearing the  
22 same thing.

23 MR. ROWLEY: Yes. But we don't have that  
24 many attractions. We don't have Disney World and Sea

1 World and, you know, massive tourism attractions. We  
2 only have one big tourism attraction, Hershey Park.

3 MS. REBECCA: I just want to talk about  
4 putting up a tax vote. Two years ago I put up the  
5 vote for enabling legislation to allow Philadelphia to  
6 tax on hotels. That was an easy vote for me to put up  
7 coming from Bucks County. Once it was demonstrated to  
8 me the tourist that come to Philadelphia the  
9 likelihood of them going to Bucks and opening up their  
10 wallet up there it was easy. But, you know, we did  
11 catch some grief from other colleagues. So I suggest  
12 that to the extent that your network of visitor bureau  
13 speaks to your state reps with concrete evidence on  
14 how the money comes back.

15 And then another comment with regard to  
16 you're struggling. Well, we're struggling too, we  
17 have to understand that we have a budget meeting in  
18 two weeks from now, there's going to be a billion  
19 dollars of new spending. So we're saying, okay, we  
20 have 101 days with minimal tax increases last year.  
21 If there is a billion of spending, so it would be  
22 interesting to have this conversation two weeks from  
23 now and see what the government is going to bring.

24 MR. MATZIE: I just have a couple thoughts.

1 We had a board meeting last week and had a very  
2 lengthy conversation about dedicated funding and it is  
3 at the top of our list, we do believe that something  
4 needs to be done. I guess my thought is rather than  
5 getting caught up necessarily on whatever we can get  
6 it done this year or not, I'd like to see us move  
7 forward putting together some options with this group,  
8 our administration or future administration I think we  
9 need to try to do that. And I think we have to go to  
10 that administration or the legislators to make the  
11 case as to why we think this is the best option. We  
12 had a couple of meetings this week and I thought we  
13 had some very interesting conversations about one,  
14 getting the tourism industry or getting us together in  
15 a better way. I think sometimes in these challenging  
16 times each association or segment of the tourism  
17 industry we do have some different issues they are not  
18 always completely the same. In this case looking at  
19 the overall tourism impact taking everything into  
20 account, the campgrounds, the museums, TPAs,  
21 everything that we can handle I think that's a great  
22 opportunity for this group to do that and really  
23 promote what tourism does for the state.

24 And I thought one of the most interesting

1       conversations we had with Paul and Tory and other  
2       people in this room in my very, you know, limited  
3       opinion I think this is a crossroad for us and I think  
4       in a couple of years the funds will come. And in our  
5       conversations we really talked about we really need to  
6       look at how we market ourselves. I think tourism is a  
7       fun industry, we do a lot fun stuff. I think that we  
8       are really at that point where we have to demonstrate  
9       that we are a business, we contribute to this economy,  
10      we create jobs and we need to continue those and  
11      sometimes it is difficult every time we lose funding  
12      we lose jobs too.

13                 So I guess, I would just say that this  
14      group, we move forward, it's a difficult time.

15      (Inaudible) probably not going to be any type of  
16      budget or tax increase, but it does create this year  
17      or -- (inaudible) way times have changed.

18                 MR. ELLIS: First of all with respect to  
19      the last two speakers, I think both of you touched on  
20      very important things. One, you have to realize --  
21      I'm a huge supporter of small business so actually it  
22      made sense for me to be on the tourism committee  
23      because it does impact small business throughout the  
24      Commonwealth. Butler County, our number one industry

1 is tourism and we don't want to see that go away. So  
2 what you need to do is certainly build a relationship  
3 with your legislator so they understand that Jack has  
4 done an excellent job in keeping me informed of what's  
5 going on in Butler County and I think that's  
6 important. But when you go out to speak to the  
7 legislator explain real stuff this restaurant, this  
8 golf course saw this many more people go, don't tell  
9 us for every dollar we spend in tourism we get \$1,400  
10 because it goes just goes back. If we put \$28 billion  
11 then we have \$160 billion budget because of the  
12 dollars we generate, show what is really happening in  
13 Butler County, you know, Gettysburg area that's what  
14 we need to see, that's what they need to understand.  
15 And then make sure that you're giving us -- not -- I'm  
16 not getting political here but make sure your members  
17 know that from the individual convention bureaus that  
18 we are understanding and if we're not letting your  
19 members know we're not understanding. You can  
20 influence people's decisions by the way you  
21 participate back home, that's just what I wanted to  
22 point out.

23 MR. SLOAN: I just have one more question  
24 to for us to consider as we move back. Let's take the

1 first conversation which was our response to  
2 Elizabeth's presentation. And the second conversation  
3 which is what are the challenges ahead of us and  
4 superimpose them, what information did we find in that  
5 first presentation that helps up approach some of  
6 these challenges and what best models or practices  
7 might be flowing up to the top where we can use as a  
8 toolbox.

9 MS. HELFRICH: I have a comment about your  
10 information on New York. Of course you don't plan  
11 your trip on taxes. However, I hear that all the time  
12 in the travel business once people go and get hit with  
13 huge taxes they're not looking to go back so quickly.  
14 Again of course, some people it doesn't matter, other  
15 people it does. So before you do it consider people  
16 might not want to come.

17 MR. SLOAN: I'm going to rephrase my  
18 question, what information from the first presentation  
19 in Elizabeth's research impact fuels or moves our  
20 challenges towards models, actions, steps, tools that  
21 we can model?

22 MAN 4: I also want to encourage you to  
23 keep up the focus for the next 18 months because as we  
24 look at a difficult budget for 2010 I believe that the

1       2011 budget is going to be one of the most difficult  
2       budgets that we're going to face.

3                   And let me just say this, this year's  
4       budget is \$27.8 billion, last year's budget was 28.3  
5       billion so with the budget coming down about half a  
6       billion dollars so many of the difficult choices, many  
7       of the difficult decisions that were made in this year  
8       budget. And we were within half a billion of the  
9       previous year. Now, it's no secret that this budget  
10      depends on the federal stimulus money to help out to  
11      the tune of 2.6 billion so we have the 2.6 billion in  
12      stimulus money in the current budget, we're going to  
13      have it in the 2010 budget. But starting in 2011 that  
14      federal stimulus money is not going to be there. So  
15      that puts us roughly in the neighborhood of \$27.8  
16      billion, just imagine the difficult challenge facing  
17      the next governor trying to balance that budget with  
18      2.6 billion of stimulus money. So I believe that you  
19      have to continue this effort not only in terms of  
20      trying to restore some of the money this year, but  
21      also as the state faces a major crisis in 2011 we have  
22      to intensify this discussion.

23                   MR. COSTA: I think we're all kind of  
24      hitting on the same page here. And we all know that

1 the caveat of the budget isn't going to work, we've  
2 already heard everyone testify it's going to get  
3 worse. Dedicated funding, in my opinion, is what  
4 we're going to have to look at.

5 The young lady down here is right. You  
6 over-tax one particular area people aren't going to go  
7 to that area. If you over-tax one particular, you  
8 know, thing that you do people are going to shy away  
9 from it. So I think what we have to do is take what  
10 we saw here on the Power Point and get a list of all  
11 those things that other states do and find out what  
12 the breaking points are. What people would say -- oh,  
13 God that's fifty cents on this extra ticket, I don't  
14 care about that, you put \$3 on that then now I care.  
15 You put a dollar on a rental car nobody cares. Put  
16 ten bucks on that rental car -- we got to look at what  
17 people -- what the breaking points are between where  
18 people say, we don't really care about that, I don't  
19 really notice that extra quarter or fifty cents and  
20 where people where say enough is enough. We got maybe  
21 to go after all of them put a little bit on each one.  
22 Figure that list out and use that as a small dedicated  
23 funding source from a lot of different avenues, that  
24 way no one gets hit with a big increase and it is all



1 combined into one source which might be able to help  
2 fund this.

3 MS. FRANCO: The one thing that I took from  
4 the Power Point in addition to the models was that  
5 last slide that shows the complexity of that tourism.  
6 We get so into all these little pieces that when  
7 people say tourism it means something different to  
8 everyone. When it is all fragmented it doesn't look  
9 like it's that, you know, that important to -- they  
10 don't deserve this or the funding issues, but when you  
11 put it all together it's a huge industry, but it's a  
12 decentralized which is something that is very, very  
13 difficult to look at. You don't see a big factory,  
14 you don't see a big investment, you don't see one  
15 source of revenue, it's lots of sources. So I would  
16 agree and say -- and this is something that this group  
17 could do and one of our challenges is defining tourism  
18 in the broadest way, in a way to say how does this --  
19 because of all of those pieces impact that bottom line  
20 on the sales tax and the attendance and visitation,  
21 not one of them all by itself. You can have a great  
22 hotel, but if you don't have a reason to come, the  
23 hotel is empty, you can have reasons to come and if  
24 you don't have a hotel there's no place to stay. So

1 these pieces all have to work together and that's one  
2 of the biggest challenges and then -- but also the  
3 opportunity for real success going forward.

4 MR. SLOAN: We ask this question before we  
5 go to lunch and I pose a statement that I'd like you  
6 all to participate, that statement was, it's seems to  
7 me that -- and as we talk amongst ourselves, eat  
8 lunch, and sit at the table I'd like you to be  
9 subjective. But some of the things that your  
10 colleagues said it seems to me that we should consider  
11 a task force to study opportunities and challenges.  
12 It's seemed to me that PA needs a different mechanism  
13 to sufficiently fund it's number two industry. One  
14 person said it seems to me PA needs to develop a money  
15 disciplinary approach to tourism development. One  
16 person said it seems to me that we advertise tourism.  
17 Another person said it seems to me that this industry  
18 is considered the drama club not the football team in  
19 prestige and subsequent funding. And other said it  
20 seems to me that the tourism industry should be more  
21 creative in identifying funding sources and  
22 opportunity. Just three more. It seems to me that  
23 dedicated state resources mean new taxes to direct  
24 funding to help us. It seems to me that the industry

1 needs to get together on how to secure these fundings.  
2 It seems to me that we need to resolve the strategy,  
3 do we want to stay with the general fund or move to  
4 dedicated funding. It seems to me that we need to  
5 identify and secure new leadership in this time of  
6 devastation.

7 So I ask you all to share those questions  
8 it seems to me, and talk amongst yourselves at the  
9 table. We will have a lunch and we will come back and  
10 then we will pose one or two more questions. I'm  
11 going to ask the table to leave for lunch and those  
12 who are on the outer wall follow behind them.

13 (Whereupon, a lunch break was taken.)

14 MR. SLOAN: I'd like to ask what were the  
15 gist of the conversations at your table and what kind  
16 of things did the hear. It seem to be that -- what  
17 kind of opinions? Meryl, can I ask you to start, what  
18 was the general conversation at your table?

19 MS. LEVITZ: One point of conversation  
20 Representative Brown asked, shouldn't there be a  
21 representative from the gaming industry on this  
22 partnership, yes. Because she just stepped out for a  
23 minute so I'm just speaking for her, but we were  
24 talking about money and whether there's going to be

1 more and if it's dedicated to games.

2 I think the other main thing from our table  
3 was anybody else stepped in was a willingness to look  
4 at other ways of doing all of this and a willingness  
5 to reposition the industry, a lot with the  
6 willingness. There was a full circle that you  
7 mentioned and that Mickey mentioned where the, you  
8 know, getting it in, setting it up, advocating,  
9 holding on to it, insulating, disseminating,  
10 measuring, all of that. So those were the things.  
11 Did anybody else at our table have anything else?

12 MR. SLOAN: Thank you, Meryl. And I've  
13 asked about that one footnote about evaluation  
14 assessment not as a requirement but as a tool to grow  
15 and prosper. We have to shift our thinking on the  
16 issue of evaluation, and documentation, and  
17 assessment. Everyone gets an x-ray from their doctor  
18 and that x-ray was the best document that we can get  
19 for our industry to move forward.

20 Those of the Elk region would someone  
21 speak?

22 MR. ELLIS: In the Elk region we talked not  
23 specifically about the cities but the rural areas of  
24 Pennsylvania and certainly, Mickey, you know my

1 feelings, but there was an understanding we have of  
2 funding for state parks in Pennsylvania and they  
3 contribute to our tourism industry as a drawing and we  
4 need to figure out a way to utilize them especially in  
5 times of economic trouble where people aren't  
6 traveling abroad, they're traveling within, maximizing  
7 what we have here in tough economic times. But  
8 looking down the road are we in a situation where we  
9 could work with public/private partnerships in our  
10 state parks to draw more people in.

11 And another thing that we discussed was  
12 dedicated funding, one of it being length with DCR  
13 work if we could work with the private sectors  
14 generating more revenue for the state parks. We can  
15 limit the money we're giving to DCR and transfer that  
16 into a tourism unitization. But also get dedicated  
17 funding we need to be involved in the conversation in  
18 the inception of the taxes, not what the taxes are  
19 that already exist because even what we've seen with  
20 the gaming, while it would have made sense probably to  
21 put a little portion of the gaming money into tourism  
22 but that was never really part of the conversation  
23 whenever the new expanded gaming went into effect.  
24 And we're probably not realistically going to open up

1 the gaming code bill for a while, so to get back in  
2 there. And it's impossible to think that we could  
3 eventually get a portion of the gaming money for  
4 tourism but reality in the near future is going to be  
5 slim.

6 Our table everybody believes it should be  
7 dedicated funding. We talked about the California  
8 model putting it out there and my advice if you can  
9 get out of the general fund get out of the general  
10 fund.

11 MR. SLOAN: One of the comments in my path  
12 at the Lancaster project is we need to begin to think  
13 about the architect and engineers of the blueprints of  
14 the bill tax and not the respondents as it came down  
15 to implementation.

16 And now our colleagues from the Stealers,  
17 Western Pennsylvania would someone speak?

18 MR. LEADERS: We were talking about what  
19 Representative Ellis' question about being out the  
20 general fund. And we had talked about the possibility  
21 and I do know that this is probably something our  
22 colleagues in Philadelphia would embrace very much but  
23 we were talking about a statewide 1 percent hotel  
24 sales tax. And the reasoning behind it is to give

1 our -- the politicians here some cover in that they  
2 would not be -- would not be asking to tax something  
3 that would be ultimately paid by our constituents. It  
4 would be giving them cover because we would have this  
5 situation where the local industry asks for the tax so  
6 they could say listen, you know, since you asked for  
7 this to be taxed.

8           What we'd like to say is that this 1  
9 percent be divided into mostly to the TPA's locally  
10 and then a share would go to the state. And we could  
11 get to the point where we could start to remove some  
12 of the general funds that goes towards tourism. And  
13 the success of that tax would be tied upon the hotels  
14 doing well. And so we just explored it and that was  
15 something that at least it would be in the amount of  
16 speaking in a way to get us at least out of the  
17 trajectory --

18           MR. SLOAN: Thank you very much.

19           And then Upstate PA would you please report  
20 on the dialog at their lunch table? Anyone want to  
21 speak or share a comment?

22           MS. HELFRICH: We spoke about Mickey's  
23 wonderful trip to China. It was amazing and it  
24 brought in a lot of ideas on how to bring in money.

1 He brought in money for green cards, right? And  
2 that's brilliant and I love it and you're amazing.

3 MR. SLOAN: The next meeting of the  
4 partnership is in April, April 1st to be exact, at the  
5 National Civil War Museum in Harrisburg. And one  
6 thing that we noticed, because you are all such  
7 incredibly busy people, we reached the end of this  
8 meeting and will reconvene the next week with a  
9 pattern to provide for an ourselves with an action  
10 plan. So by way of ending this meeting we want to ask  
11 all of our tables what is the best advice that you can  
12 give us, us, not just the staff but the partnership to  
13 advance to award April 1 and to work in the next 90  
14 days together to achieve some of the things that we've  
15 discussed today? We need some February, March, action  
16 or the best advice and we need some reality checks  
17 from our legislative partners and what do we need to  
18 do, how can we act in the next 90 days.

19 MR. CONWAY: I think there was some  
20 interesting dialog and I'd like to thank Mickey and  
21 the staff for getting us together to do this.

22 As I've said earlier, what we're working  
23 toward is we want to work with the partnership board  
24 and the tourism committee and I guess my suggestion



1 would be, you know, working as a group again between  
2 now and April. I'd like to be a part of that, take  
3 the research that Elizabeth did, she did such a great  
4 job putting together some options.

5           Again, it's just my opinion although I'd  
6 like to see it happen as soon as possible, whether or  
7 not it's this year or in the next two years, the  
8 important thing is to do the work. And I think it's  
9 time for us to be reacting rather than being more  
10 proactive and I see there is an opportunity there.

11           I would suggest that someone volunteer to  
12 do the work, volunteer to do -- be on that and work  
13 with the various tourism agencies then come back in  
14 April with some suggestions, some of those ideas and  
15 talk about the pros and cons and other things, that  
16 would be my instructions. I think you should take  
17 what we did today and come back in the next couple  
18 weeks. However, you want to organize a group, but use  
19 the good work between now and then.

20           MR. ROWLEY: Take those notes, run it by  
21 the tourism associations and see what kind of feedback  
22 you get and then report on that April meeting.

23           MR. TAYLOR: I just want to say that I  
24 noticed that on Elizabeth's presentation that a lot of

1 her remarks began with this tax or this scheme was  
2 originated by the tourism industry. That kind of  
3 thing I think starting from the bottom, take things  
4 that we're going to do I think it's something we  
5 should look at as a way to succeed.

6 MR. FINK: I'd like to ask if Elizabeth be  
7 made available to that work group to --

8 MR. ROWLEY: Absolutely.

9 MR. FINK: So we can while this would come  
10 up through the industry we also have the ability to  
11 work with them and say this is going to fly and we are  
12 being realistic of what we're talking about being.

13 MR. SAMUELSON: A follow-up question on the  
14 historical charges on funding in Pennsylvania and  
15 obviously if you go back 15 years to the mid 1990s it  
16 looks like it was about a \$15 million level, grew  
17 significantly by the end of that decade and there were  
18 about three years, three or four years when it was  
19 above \$30 million. Now in that period when the  
20 funding doubled do we have corresponding data showing  
21 a growth in the number of visitors to Pennsylvania and  
22 did the number of visitors to Pennsylvania double or  
23 show significant increase with that investment of  
24 tourism dollars in the late 1990s?

1                   MR. ROWLEY: That is a traffic question,  
2                   are you attempting to answer that one?

3                   MS. SECHOKA: No. But I did want to say  
4                   for example in the year -- in the year 2000 the state  
5                   hosted the National Governors Association, there was  
6                   additional funding for Mark because we had felt that  
7                   they had national exposures, so when you see a spike  
8                   it wasn't their -- there could be certain reasons  
9                   and --

10                  MR. ROWLEY: But the question remains, what  
11                  evidence do we have that the spending increased in the  
12                  '90s -- what corresponding increase and demand?  
13                  Unfortunately we don't have answers to that. What we  
14                  have more of when you decrease funding you feel we  
15                  stopped advertising, you feel the impact on --

16                  MS. SCIENCE: I just have another comment.  
17                  When we're talking about the blueprint I think it's a  
18                  great idea because there are so many unique ideas  
19                  around this table. And I think we do need to create a  
20                  blueprint and we do have to have that available  
21                  within -- in the next 90 days we can start that, the  
22                  work through the legislators. And also with the new  
23                  respective individuals who are running for governor  
24                  because we have to remember that all of us sitting

1 here have all sorts of people that we report to or  
2 that we are responsible for and they all vote. And  
3 when we have a new governor in office he already has  
4 to be on board with us and be able to accommodate the  
5 tourism industry because the possibility that there is  
6 billions and billions of dollars within the area, but  
7 also because he's representing -- I know just Bucks  
8 County has 14,000 people, I can't imagine what it is  
9 when we're all combined.

10 MS. QUINN: Thank you. With regard to the  
11 work group it would be very helpful for them to come  
12 back with a product that would bring some people to  
13 the jobs industry. Anyone -- I look around at my  
14 fellow colleagues in the room, one of the issues is  
15 that we feel a threat to the economy, to the jobs in  
16 our district. So for that to the best to the extent  
17 possible because it defines the impact per district  
18 that someone is going to take the task and challenge  
19 just to give an overall --

20 MR. SLOAN: Crystal Science mentioned  
21 Global Insights?

22 MS. SCIENCE: Global Insights but I know we  
23 don't entirely trust those numbers. However, at least  
24 it's a guide going now since 2000 and it shows how the

1 industry is growing, it shows how taxes have grown in  
2 terms of dollars. I know I have tried to do that in  
3 my own challenges to look at -- I think it's called  
4 NES -- NNVES. And I think if you just look there you  
5 can start at a county level.

6 MS. SECHOKA: It's based on survey data and  
7 the annual economic impact reports that Global Insight  
8 is doing historically for the past several years and  
9 going forward a group called Tourism Economics started  
10 doing it. But nevertheless, they rely on the surveys  
11 that are done by another indenture, it's a national  
12 survey.

13 Nevertheless, it's model generated, it's  
14 not a clean, you know, definite amount so -- and I  
15 forget what I was going to say -- and for a lot of  
16 counties they're just -- either there isn't enough  
17 sample size from the survey or the data isn't  
18 available because there is just a small number of  
19 companies, businesses and independent codes or there  
20 are bigger companies that will not release the  
21 information.

22 MAN 5: I believe Mickey mentioned the --  
23 the group is called the Pennsylvania Tourism Coalition  
24 and for the past 20 years that group has assisted 14

1 statewide associations that represent the different  
2 segments of our industry. Some of the people from our  
3 industry have met with the republican and democratic  
4 parties. We are in the process of putting that  
5 project together. We plan on meeting with all of the  
6 candidates in the race the first week in March and we  
7 will incorporate as part of the presentation the top  
8 three to five global issues impacting our industry.  
9 The number one issue that we will talk about will be  
10 dedicated funding. We talked about it four years ago,  
11 eight years ago and it will be on the agenda again.

12 But thank you for the discussion for  
13 keeping this issue front and center because we can  
14 point out to those individuals that this body has this  
15 discussion, and obviously our allies on the committee,  
16 and there is interest and if we did can get the next  
17 governor to at least consider, at least show what  
18 other states are doing and I think that will help us  
19 moving this issue forward. So we can record on April  
20 1 on the outcome of those discussions with each of the  
21 candidates.

22 MAN 6: Just for my closing comments. I'd  
23 be interested in knowing not the senator, the house  
24 members that are here, do you believe that tourism and

1       tourism funding is in a crisis? Are we in trouble?  
2       I'm hearing, yes. It can't be because if we are in  
3       crisis there would be TV coverage. How many people --  
4       you're talking about -- how many people know outside  
5       that the governor is asking for you to give money  
6       back? How many people know the cut in funding? How  
7       many people know that tourism is the two number  
8       industry in the Commonwealth? So before you meet in  
9       April the first thing I suggest is you better let  
10      somebody know that we're in crisis here, know what the  
11      problems are. That may include some of your members.  
12      I bet if I pulled the people in my district I could  
13      find restaurant, hotel owners that don't even know  
14      there's a problem. So trust me after eight in the  
15      House I've learned one thing, I can't sell a crisis to  
16      people who don't believe in it. So you better --  
17      there's a crisis and we got a problem. And then I'd  
18      like to hear recommendations that come out in April,  
19      what's your suggestion, is it a dedicated funding  
20      source, how can we -- give us some options, don't let  
21      us come up with those options.

22                   And in closing, I just want to thank  
23      everybody for taking the time to do this. It's been  
24      very informant. It's been very good for me.

1                   MR. SLOAN: The common crisis we often  
2           forget that it is important for us to pause and hold  
3           up leadership and so by way of passing it back to the  
4           representatives. In your packages is documents of  
5           guidelines for the call for recommendations for the  
6           governor's keystone society of outstanding leadership  
7           in tourism and in the midst of this crisis let's hold  
8           up our own. The deadline is February 15th to nominate  
9           outstanding leadership in tourism so that we have  
10          jewels and pearls to hold up this advocacy. Thank  
11          you.

12                   Now we are going to pass this back to  
13          Mickey.

14                   MR. ROWLEY: Thank you, this is by far the  
15          best tourism partnership meeting. Thank you for your  
16          time, thank you for all of those who are not on the  
17          partnership for showing up and showing interest and  
18          speaking up. It's a good meeting.

19                   I'm going turn it over to the chair to  
20          provide some closing remarks.

21                   CHAIRMAN KIRKLAND: First of all, thank you  
22          Mickey, and thank you, all of you, in the partnership.  
23          This was a very informative meeting/conversation. And  
24          now we just to have to put our -- I always tell people



1 it's one thing to pray but to have faith to go with  
2 your prayers. It's now time to put our feet on the  
3 ground and do what we have to do. We have a lot of  
4 work to do, please, and as we partner together and  
5 that's the only way it gets done, as we partner  
6 together and keep this legislator. You have executive  
7 directors work with them, work with us keep -- provide  
8 us with information. You know your industry better  
9 than we do. And what we do is we fight on your behalf  
10 but we can only fight with information that you've  
11 given us and even some great and wonderful ideas that  
12 are provided to us, so we look for your leadership as  
13 well in this process as we move forward.

14           If there is a serious issue on our part you  
15 would not see the members here and I applaud the  
16 attendance of the members of tourism recreation  
17 committee from the far and wide to be here, this means  
18 a lot to them. As to their various districts and  
19 throughout Pennsylvania we have -- we are not walking  
20 away from this issue, we understand it's a very  
21 difficult, critical time. These are very difficult  
22 choices but that's why we've been put in office to  
23 lead and we plan on doing that. And we will provide  
24 the leadership when you provide us with the

1 information that we need and the resources that we  
2 need to get this job done. Don't want 'till April,  
3 start immediately getting some of that stuff prior to  
4 that so when we get to April we are prepared.

5 Thank you, Mickey, once again, thank you,  
6 members. Thank you, all of you, for coming this  
7 afternoon.

8 MR. ROWLEY: As with that the meeting is  
9 closed.

10 - - -

11 (Whereupon, the meeting concluded at  
12 approximately 2:11 p.m.)

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## CERTIFICATE

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2  
3 I, Krista Morici, Professional Court Reporter,  
4 certify that the foregoing is a true and accurate  
5 transcript of the proceedings which were held at the  
6 time, place and on the date hereinbefore set forth.

7 I further certify that I am neither attorney  
8 nor counsel for, not related to or employed by, any of  
9 the parties to the action in which these proceedings  
10 were taken. Further, that I am not a relative or  
11 employee of any attorney or counsel employed in this  
12 case, nor am I financially interested in this action.

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15  
16 Krista Morici

17 Professional Shorthand Reporter  
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