

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY09 and \$2.220 billion in FY10) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in FY 2009, FY 2010 or both.

- Question:** Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?
- Question:** In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

<b>Fiscal Year</b>	<b>Federal Program</b>	<b>State Program</b>	<b>Amount</b>
2010	National Endowment for the Arts	New Jersey State Council on the Arts	\$336,900
2009 - 2010	Corporation for National and Community Service	New Jersey Commission for National and Community Service	\$839,218

**New Jersey State Council on the Arts (The Council)**

New Jersey State Council on the Arts anticipates \$336,900 in funding from the National Endowment for the Arts (NEA) and will distribute all funding through a staffing preservation program for permanent positions and contracted positions at arts organizations. None of the funding is available for State administrative expenses and it is anticipated that this will be a one-time opportunity of support.

Funding is only available to preserve jobs in nonprofit arts organizations that are 1) in danger of being eliminated, 2) in danger of hours being reduced or, 3) have been eliminated or reduced in hours since July 1, 2008, as a result of the economic climate, and 4) for which a qualified candidate is already in place or has been identified and can begin no later than September 1,

2009. Funding is not available through this program for new positions or expansion of a position beyond the hours or salary in place as of July 1, 2008.

In order to be eligible to apply to the Council for ARRA support, organizations must:

- be current FY09 General Operating Support (GOS) grantees of the Council
- have submitted an FY10 GOS application to the Council, and
- NOT be eligible to apply directly to the National Endowment for the Arts or to the Mid Atlantic Arts Foundation for federal stimulus staffing preservation support. Groups that are eligible to apply for ARRA funding directly from the NEA and/or eligible to apply to the Mid Atlantic Arts Foundation are not eligible to apply to the Council program, and are strongly encouraged to seek support through these other agencies.

Proposals from eligible organizations were due to the Council on Thursday, April 6, 2009. Those applications will be reviewed beginning April 8, 2009 through May 2009 by discipline-specific peer panels.

The panel findings will be presented to the Council's Grants Committee. The recommendations of the Committee will be forwarded to and voted upon by the full Council in public session at its Annual Meeting tentatively scheduled for July 28, 2009. The grant period will run July 1, 2009 to June 30, 2010.

### **New Jersey Commission on National and Community Service**

The New Jersey Commission on National Community Service (AmeriCorps) received \$839,218 in formula funding under the Recovery Act. The ARRA funding may only be used to enhance current AmeriCorps-funded programs, either for additional AmeriCorps members, or to assist organizations in meeting federal matching requirements, or both. None of the funding is available for State administrative expenses.

The Formula selection process gives preference to the following activities: employment and training skills; tutoring and literacy; financial literacy; home foreclosures and housing assistance; housing rehabilitation and access; including weatherization and other energy efficiency techniques; health care access and delivery; nonprofit capacity building and volunteer generation and management.

The Department was notified of the grant opportunity by the Corporation for National and Community Service in early March. All potential grantees were notified of the federal guidelines. The Commission requested that interested programs provide a letter of intent by March 17, 2009 and the applications were due to the State on March 26, 2009. All grant applications were reviewed and evaluated by a panel on March 30 and 31, 2009. Recommendations were provided to the Commission Officers on April 1, 2009. The New Jersey Commission for National and Community Service voted to accept the panel recommendations. The application was submitted to the federal Corporation for National and Community Service on April 3, 2009. We expect to have funding decisions from the National Corporation on April 26, 2009 for the Formula category of the ARRA funding. All grant contracts will be executed by June 1, 2009.

There is also a separate federal AmeriCorps Recovery category, called National Competitive, which will be decided at the national level. While all New Jersey grantee were eligible to apply only one organization has applied in both the Formula and Competitive categories. Should that

organization receive National Competitive funding, it will then be removed from the State's Formula group. If the organization is removed there is the potential of freeing additional Formula money, which can then be allocated to the lower ranked applicants. The Department expects to hear the results of the National Competitive funding on May 7, 2009.

**Are there ARRA funds that flow through your department for which the State has no discretion?**

The Department did not received ARRA money for which the State has no discretion.

**Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount?**

None the ARRA funding for the Department of State can be used to offset other State appropriations.

**What additional positions, if any, have been and will be hired with these funds?**

The ARRA funding cannot be used hire additional employees for the Department.

**If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?**

The department does not anticipate receiving funding for continuation of these programs in FY 2011.

- *Question:* In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

**New Jersey State Museum**

The New Jersey State Museum's Fine Arts Bureau intends to apply to the National Endowment for the Arts (NEA) for a Visual Arts: Access to Artistic Excellence grant for either Conservation or Public Programs. The application deadline for this category is August 13, 2009. Grant awards in this category range from \$10,000 to \$100,000.

Also, the Museum's Bureau of Archaeology/Ethnology intends to apply for a National Endowment for the Humanities (NEH): America's Historical and Cultural Organizations Planning grant. The deadline is August 26, 2009, for projects beginning April 2010, with awards of up to \$40,000.

**New Jersey's Office of Faith Based Initiatives**

New Jersey's Office of Faith Based Initiatives (OFBI) intends to apply for \$500,000 in federal dollars from the Office of Faith Based and Neighborhood Partnerships. The funds will be used by faith and community based organizations to provide programs designed to help NJ residents become economically self-sufficient. A deadline has not been set for this grant.

### **New Jersey State Council on the Arts**

The New Jersey State Council on the Arts has applied and expects to receive from the National Endowment for the Arts Annual Partnership Grant for \$940,600. The federal money will be used for the Council's administrative operations and grants.

### **New Jersey's Commission on National and Community Service**

New Jersey's Commission on National and Community Service has submitted the following applications for funding to the Corporation on National and Community Service in Washington DC:

- AmeriCorps - \$2,793,815. This AmeriCorps grant focuses on placing volunteers in New Jersey to work on K-12 education, human services, the environment and dropout prevention.
- Learn and Serve America -\$640,000. The Learn and Serve grant will promote community service among K -12<sup>th</sup> grade students, as well as infuse community service into the school curriculum.

New Jersey's Commission on National and Community Service plans to submit an application by May 22, 2009, for a *Volunteer in Service to America* (VISTA) grant to the Corporation for National and Community Service in Washington DC for \$201,000. The Grant will expand the current Vista program, which focuses on assisting children of incarcerated parents and prisoner reentry.

2. Over the past several years, the overall staffing level in the Executive branch has been reduced through restrictions on hiring and an early retirement program. The FY 2010 budget proposal envisions continuation of the hiring restrictions coupled with possible furloughs or further reductions in positions.

- **Question:** How has the reduction in staffing affected your department? What strategies has the department employed to deal with staff reductions? What projects, work products or functions has the department discontinued or deferred because of staffing levels? Will the department be able to accommodate furloughs in FY 2010 without increasing spending for overtime?

Due to departmental staff reductions, we have utilized more cross-divisional use of staff. For example, during the recent election, staff from several divisions assisted during the peak periods of demand for services. The interexchange and collaboration of staff has allowed our department to continue to fulfill our mission.

The Department will be able to accommodate furloughs without overtime.

3. The FY 2009 appropriations act anticipated that \$25 million in procurement savings would be achieved by Executive departments. A chart on page 75 of the Budget in Brief categorizes those savings and indicates they will continue into FY 2010. The FY 2010 budget includes another \$25 million from procurement savings (Budget in Brief, Appendix I, page 8).

- **Question:** Please indicate the FY 2009 amount of procurement savings achieved by your department, by the categories set forth in the referenced table, and the sources of those savings by department program. What is the annual amount of these savings as continued into FY 2010? How have these reductions affected the department? What

projects, work products or functions has the department discontinued or deferred in order to achieve these savings?

The Office of Management and Budget will provide information responsive to this question on behalf of the Department

4. P.L.2003, c.114, enacted on July 1, 2003, imposes a hotel and motel occupancy tax. A minimum amount of the revenue generated from the tax is required to annually fund cultural project grants through the New Jersey State Council on the Arts, New Jersey Historical Commission grants, advertising and promotion in the Division of Travel and Tourism, and the New Jersey Cultural Trust. Specifically, the law requires 40 percent of the revenue collected, or a combined minimum total of \$28.2 million, be appropriated for these purposes. Under the law, if the minimum amounts are not appropriated in any fiscal year, then no later than 10 days after the enactment of the annual appropriations act, the Director of the Division of Taxation is to notify each person required to collect the tax that the tax will no longer be paid or collected ("poison pill" provision).

The Governor's FY 2010 recommended appropriation of \$25.9 million for cultural grants and tourism promotion (including \$14.4 million for Cultural Projects in the New Jersey State Council on the Arts, \$2.5 million for the New Jersey Historical Commission, \$8.5 million for tourism advertising and promotion in the Division of Travel and Tourism, and \$466,000 for the New Jersey Cultural Trust) would appear to trigger the law's "poison pill" provision. However, recommended language in the general provisions of the Governor's FY 2010 budget (page F-8) would suspend such statutory "poison pill" provisions.

According to the Governor's Schedule 1 Revenue projections, the State anticipates approximately \$80 million in FY 2009 and \$85 million in FY 2010 from the hotel and motel occupancy tax.

**Question:** How was the level of funding in the Governor's FY 2010 Recommended Budget determined for these agencies? What impact will the reduction in funding have on each agency's ability to operate effectively and fund grant programs? Based on applications for FY 2010 received to date, what percentage of bona fide funding requests could be approved and funded with the recommended appropriation? Have these agencies discussed and determined strategies for allocating FY 2010 funding

In the proposed FY 2010 budget the cuts in allocations for the agencies funded by the Hotel Motel tax will have the following effect:

#### **New Jersey State Council on the Arts**

Over 90% of the Council's total state and federal resources is awarded each year as grants to arts organizations and projects, therefore, the proposed 25% reduction in FY10 funding for the NJ State Council on the Arts, will primarily impact the grant funding. Currently the Council funds over 700 organizations and projects throughout the state. Two hundred and seventy five (275) organizations receive grants directly from the Council. The Council also funds all 21 county Cultural and Heritage Commissions, the Commissions use these funds to provide grants to another 425 arts organizations. Council funding assists in 34,000 events per year reaching audiences of 18 million.

For FY 2010, the Council received more than 300 applications. These grant requests are being evaluated through early June by 15 discipline-specific peer panels. The evaluations from the peer panels (numerical scores and qualitative comments) will be provided to the Council's

Grants Committee by late June. The Committee met in March and will meet again in May to develop a funding strategy and approach and apply those principles in making its funding recommendations in June. The Committee's recommendations will be presented to the full Council for vote in public session at the annual meeting on July 28, 2009, at which time the funding decisions will be finalized and announced.

This year the Council in cooperation with New Jersey's service organizations organized a conference to help the arts community cope with the recession, with an emphasis on methods to effectively alleviate the pressure of the economic downturn.

### **New Jersey Historical Commission**

The FY 2010 proposed budget allocates \$2,973,000 to the Historical Commission for grants in aid. This represents a reduction of \$896,000 in Commission grant funds from FY 2009.

The Historical Commission is currently determining strategies for allocating FY 2010 grant funds.

Like the Council on the Arts, the Historical Commission also assisted its constituents on fiscal management. Last month the Historical Commission cosponsored the annual History Issues Conventions which offered participants ideas and guidance on how to weather the current recession with insight from a variety of experts across many fields and areas of interest.

### **New Jersey Cultural Trust**

The Cultural Trust's grant-making activities function differently from those of the Council on the Arts and the Historical Commission; therefore, the impact of reduced funding from the FY 2010 budget will also affect the agency differently. Funding for grants made through the Cultural Trust's competitive grant programs is provided by the interest generated by the Cultural Trust Fund. This interest will continue to accumulate despite fluctuations in annual appropriations.

When a qualified organization receives a single private donation of over \$100,000 and the gift is certified, the dollar amount is then matched by the State, subject to available State appropriation. The organization receives 20% of the State match and the remaining 80% is transferred to the Cultural Trust Fund, an interest bearing account. Therefore, reductions in State contributions to the Trust have slowed the growth of the Fund, and therefore reduced the amount of interest available to the competitive grant program.

The Cultural Trust is currently determining strategies for allocating FY 2010 grant funds.

### **Division of Travel and Tourism**

Tourism is a \$38.8 billion industry in New Jersey, the third largest in the state, accounting for 11 percent of the state's total employment and \$7.7 billion in federal, state and local tax revenues last year. The proposed reduction in FY10 for the Division of Travel and Tourism budget will primarily affect the Division's ability to market our tourist attractions through its two grant programs – the Cooperative Marketing Grant Program and the Destination Marketing Organization Grant Program.

These programs fund promotional activities that market our attractions in the state and the region, and have been a major reason for New Jersey's current competitive edge as one of the country's 10 most-visited states. The Cooperative Marketing and Destination Marketing grant programs are instrumental in leveraging private funding to augment the Division's promotional activities.

The Division of Travel and Tourism is currently determining strategies for allocating FY 2010 grant funds.

5. The New Jersey Cultural Trust is a public-private initiative designed to create a permanent, stable and additional source of funding to: support private, non-profit arts, history and humanities organizations; finance important capital projects; and improve the organizational and financial management of cultural organizations. Under the "New Jersey Cultural Trust Act," P.L.2000, c.76, over a ten-year period beginning in FY 2001, \$100 million in State funds was to be committed to match private contributions to qualified organizations to supplement funding for the arts, historical groups, and the humanities. According to the Trust, to date, the State has contributed \$27 million toward the purposes of the Trust, far below the amount prescribed by the legislation, while the private sector has contributed \$38.5 million certified to date.

As an incentive to encourage large gift donations, when a private entity makes a "certified" donation valued at \$100,000 and above to the endowment of a qualified organization, the State, under the statute, was to have matched the donation, with 80 percent of the State match going to the Cultural Trust Fund, and the remaining 20 percent going directly to the qualified organization's endowment. Thus, a donation of \$100,000 would actually generate \$120,000 for an organization's endowment. The certification process has been on hold since the State match was last made in FY 2003.

The Governor's FY 2010 Budget Recommendation of \$466,000 for the New Jersey Cultural Trust represents a 25 percent decrease from the FY 2009 adjusted appropriation of \$621,000.

- **Question:** Please provide an update on the New Jersey Cultural Trust Fund. What amount of private donations has been received but not certified since the certification process was placed on hold? How has the State's failure to satisfy the State match requirement under the "New Jersey Cultural Trust Act," affected qualified cultural organizations' ability to secure private donations?

The principal currently in the New Jersey Cultural Trust Fund is \$22,875,180. Two rounds of private donations have been certified to date, totaling \$38,491,209. Of that amount, the State has matched \$27,021,000, leaving a balance of \$11,470,209 still to be matched with State dollars. A request to certify a third round has been pending since 2003; this Round III amounts to \$2,992,494. A recent informal survey of Cultural Trust constituents has revealed that an additional \$47,000,000 in gifts to cultural organizations have been received since 2003. Thus the Cultural Trust Fund would need approximately \$62,000,000 in order to match these private donations.

The survey also highlighted that with certification of donations on hold since 2003 and the low level of annual appropriations there has been a markedly negative effect on private giving to cultural organizations. The Cultural Trust's program of certifying private donations was designed not only to trigger the public dollar match, but also to leverage increased private giving.

**QUESTIONS 6 & 7 WERE PREPARED BY THE NEW JERSEY STATE LIBRARY- WHICH IS IN BUT NOT OF THE DEPARTMENT OF STATE.**

6. The Governor's FY 2010 Budget recommends \$1.45 million (page D-355) in Direct State Services funding for the Knowledge Initiative Project (KI), a \$550,000 (27.5 percent) reduction from the FY 2009 adjusted appropriation of \$2.0 million. Also, a lapse of \$390,000 in FY 2009 project "savings" (Budget in Brief Appendix II p. 17) is planned. The State Library had requested KI funding of \$3.25 million for FY 2010. This initiative is designed to fund proprietary databases offered at colleges and universities in the State, the State Library, public libraries, and to business incubators and small businesses served by the New Jersey Economic Development Authority.

- **Question:** Please provide an update on the KI Project, including information on the specific databases selected, contract terms and costs, and the benefits the initiative has had to the State generally and to the specific communities served. Specifically, who has access to the programs made available through the initiative and how many people and businesses are utilizing these services? How will the decrease in funding in FY 2009 and FY 2010, respectively, impact which products will be made available? In light of the current economic crisis and the support that the KI Project provides to small businesses, is the reduction short-sighted from an economic stimulus perspective?

The following databases are currently subscribed to in FY 2009, with access & costs:

1. RefUSA (Statewide)	\$ 812,929
2. Business Source Premier (Statewide)	\$ 224,451 (9 months)
3. Academic Source Premier (Statewide)	\$ 393,230
4. Frost & Sullivan (Registered NJKI Businesses)	\$ 40,000
Total Databases	\$ 1,470,610

In FY09, from July 2008 to March 2009, these databases were accessed over 2.65 million times, despite the fact that the NJKI budget and consequently the resources offered have been reduced. When the program was fully funded at \$3 million offering additional specialized databases from Nature, OVID, and Wiley the online resources were accessed nearly 10 million times a year.

With the recommended FY 2010 reduction of \$550,000 along with the lapsed \$390,000, the Knowledge Initiative will only be able to offer 2 databases in FY 2010: the most popular, general purpose database RefUSA, and market research reports from Frost & Sullivan for special business customers. These two remaining databases will render the program less useful to those New Jersey businesses, particularly entrepreneurs and incubators, who are doing research in highly scientific or technical fields.

7a. The Governor's FY 2010 Budget recommends decreasing State Aid for the Division of State Library by \$1.4 million (7.9 percent), from the FY 2009 adjusted appropriation of \$17.8 million to \$16.4 million in FY 2010. Most of that reduction is reflected in the "Per Capita Library Aid" account, which is reduced by \$800,000 (10 percent) from the current level of \$8 million to \$7.2 million in FY 2010. The State Library had requested per capita library aid funding of \$10 million in FY 2010. (In FY 2009 the Governor recommended reducing per capita library aid by 11 percent.) These monies provide financial assistance to approximately 300 libraries on a per capita basis.

- **Question:** Please describe the impact the reduction in funding will have on the ability of libraries to provide “minimal” standards. Please provide a spreadsheet summary on the per capita aid distributed to each of the public libraries in FY 2009 and estimate the distribution of aid to each library for FY 2010.

Per Capita State Aid was cut \$692,000 in FY 2009, an 8% decrease in funding. The proposed 10% cut for FY 2010 would represent an 18% reduction in just two years. Additionally, the 4% cap on municipal expenditures has reduced the ability of many municipalities to adequately fund their libraries. For many libraries, state Per Capita aid is a lifeline to maintaining minimum standards of library service. A reduction in State aid means fewer children’s books for our youngest readers, fewer research materials for our students and businesses, and less computer access for our residents searching for employment. It will also mean that libraries will need to close earlier in the evening, reduce weekend hours, and have fewer staff available to provide the assistance that residents have come to depend on. Library services to our residents will be significantly diminished statewide.

(see attached for spreadsheet)

7b. The Governor’s FY 2010 Budget Recommendation includes \$3.73 million in Direct State Services funding for salaries and wages for the Division of State Library, the same level of funding as the FY 2009 adjusted appropriation. The State Library had requested \$6.25 million in funding for salaries and wages in FY 2010.

- **Question:** Please discuss why the State Library requested such a significant (\$2.52 million or 67.4 percent) increase in funding for this program class. How will the flat-funded FY 2010 recommended appropriation impact the State Library’s ability to operate effectively?

The State Library’s FY 2010 Budget Request included an increase in funding of salaries and wages by \$2.52 million. Of this amount, \$1.48 million was requested to fund 28 positions at the Library for the Blind and Handicapped (LBH) that are currently federally funded by the Institute of Museum and Library Services (IMLS) through the Library Services Technology Act (LSTA). As salary and other costs at LBH continue to rise, less funding is available to fund grants to libraries throughout the state to address the goals of the LSTA Act. State support for the 28 positions at LBH would allow the State Library to distribute a larger proportion of LSTA funds to our economically burdened counties and municipalities, thereby directly serving the residents of New Jersey.

The State Library also requested \$50,000 to fund one new position at the State Library Information Center. Flat funding has not permitted the State Library to keep up with hiring professionals who can update and sustain our collections in both print and electronic formats.

The Library manages 30 percent more books and documents in comparison to 20 years ago, as well as a tremendous increase in the number of requests for research assistance, database instruction, digitization of print materials and full-text document delivery. Moreover, the state Library’s Internet activity dramatically increased to over 12 million visits in FY 2008, which is an increase of 1.6 million visits over the previous fiscal year and which also increases the workload for State Library personnel.

8. In 2008, travel and tourism in New Jersey generated industry revenues of \$38.8 billion, down \$700 million (1.6 percent) from the record high amount of \$39.5 billion set in 2007. According to a press release issued by the Office of the Secretary of State on April 2, 2009, tourism generated \$7.7 billion in federal, State, and local tax revenue, and without that revenue each New Jersey household would pay an additional \$1,427 in taxes. Also according to that press release, in 2008, 10.9 percent of the State's total employment (approximately 443,000 direct and indirect jobs) was created by travel and tourism activity. The Governor's FY 2010 budget recommendation of \$8.5 million in Direct State Services funding for advertising and promotion (including the Cooperative Marketing Program) for the Division of Travel and Tourism represents a \$3.3 million (27.8 percent) decrease from the FY 2009 adjusted appropriation of \$11.8 million.

As mentioned in Discussion Point 4 above, according to the Executive, recommended language in the general provisions of the Governor's FY 2010 budget (page F-8) suspends the "poison pill" provision of P.L.2003, c.114 (hotel and motel occupancy tax) that would require funding tourism advertising and promotion at a minimum of \$9 million annually.

- **Question:** Considering the amount of revenue that New Jersey's travel and tourism industry generates, why is tourism advertising and promotion recommended for such a significant reduction in funding from the FY 2009 adjusted appropriation level? What specific impact will the recommended reduction in the Division of Travel and Tourism's advertising budget have on its promotional, educational and informational programs? Please indicate how the current year appropriations have or will be expended under the Advertising and Promotion and the Cooperative Marketing Programs? Please describe the division's current year advertising and promotion campaigns in your response.
- **Question:** Please indicate how the funds appropriated for advertising and promotion are allocated either by county or by tourism region of the State (i.e., Skylands region, Shore region, etc.). How will the division ensure that all sectors of the travel and tourism industry – arts, history, culture, accommodations, eco-tourism, agri-tourism, sports, amusements, restaurants, casinos, and State parks – are well-represented in an advertisement campaign at the proposed level of funding?

**Considering the amount of revenue that New Jersey's travel and tourism industry generates, why is tourism advertising and promotion recommended for such a significant reduction in funding from the FY 2009 adjusted appropriation level? What specific impact will the recommended reduction in the Division of Travel and Tourism's advertising budget have on its promotional, educational and informational programs?**

Travel and Tourism has been presented with a challenging budget, however, we are well positioned to weather this short term reduction because of the marketing and advertising infrastructure we have created with our Destination Marketing Organizations (DMO's) and through the cooperative marketing grants. These DMO's and cooperative marketing grants cover every district and county in New Jersey.

**Please indicate how the funds appropriated for advertising and promotion are allocated either by county or by tourism region of the State (i.e., Skylands region, Shore region, etc.). How will the division ensure that all sectors of the travel and tourism industry – arts, history, culture, accommodations, eco-tourism, agri-**

**tourism, sports, amusements, restaurants, casinos, and State parks – are well-represented in an advertisement campaign at the proposed level of funding?**

The Division is able to promote the State's diverse regions and attractions in a number of ways. As noted above, one of the most effective ways to promote tourism is through our State-funded regional Destination Marketing Organizations (DMO's), our "boots on the ground." DMOs work on the local and regional level to promote their tourism assets -- hotels, restaurants, amusement parks, casinos, museums, performing arts centers, etc., packaging their tourism product into a marketable and attractive travel experience by connecting businesses and organizations, aggressively promoting the "vacation" experience, and becoming a clearinghouse for visitor information.

Our DMOs represent the best way to mitigate as much as possible the effects of the cuts on our budget. Through a competitive bidding process, every region of the state is offered an opportunity to promote its unique area attractions and again, to market them to every taste and budget. Thus far, since the inception of the program two years ago, DMOs are operating statewide promoting New Jersey's tourism assets. The criteria for funding is the ability to attract visitors/tourists to the state, encourage overnight stays, and generally put tourist dollars into the economy. As mentioned earlier, each funded DMO is required to generate 25% of its funding from private sources.

The Division is in the second year of its *Destinations in Any Direction* mixed media campaign. In order to incorporate all sectors of the state's tourism industry, we have created a successful partnership with the Department of Agriculture, the Department of Environmental Protection and the Department of Transportation. Partnering with these various departments, the state's DMOs, as well as the New Jersey Travel and Tourism Industry Association, the campaign successfully highlighted over 50 different featured destinations, from beaches and casinos to performing arts centers and state parks in television commercials, internet, print, radio ads and billboards.