

**Testimony to the Senate Budget and Appropriations Committee**  
**April 30, 2008**  
**Department of State**  
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**Secretary of State**

Good Morning Madam Chairwoman and members of the Committee. I am delighted to be with you today to discuss the many exciting accomplishments of the Department of State and to share our vision for the upcoming fiscal year.

I want to begin by thanking the Legislature for its continued support and Governor Corzine for his steadfast leadership and devotion to our mission during these very difficult budgetary times. I am proud of the positive and significant role played by the Department of State.

In both size and scope, the impact of the Department is critical on many fronts. The promotion of travel and tourism, the arts, culture and history ignites and fuels many of our towns and cities by bringing thousands of people to their restaurants, hotels, retail venues and attractions while pouring millions into their local economies. The self-sustaining funding mechanism provided by the Hotel/Motel Tax is essential to continuing this economic vibrancy. Support for the arts, culture, history and tourism not only maintains the quality of our venues, but ensures that New Jersey offers financially sound, vibrant communities that are great places to live, work, own a business, raise a family and visit.

There is a lot of difficult financial news, but one key area is providing positive results and great returns!

2007 was a very exciting year for New Jersey's travel and tourism industry, because the state attracted 4.2 million more visitors than the prior year, bringing the number of visitors to a record 75 million. This translated into a 15 percent increase in overnight stays, 6.6 percent longer visits, and an overall increase of nearly 6 percent in tourism expenditures.

Tourism in New Jersey is now a 38 billion dollar industry due to our luxurious beaches, casinos in Atlantic City and other 'great destinations in any direction' – the theme of this year's advertising campaign. Tourism is a lifeblood industry for New Jersey, and therefore its promotion is critical for fueling the state's economic prosperity.

- 500,000 direct and indirect jobs were created by travel and tourism, accounting for 11.4 percent of the state's total employment.
- 1 out of every 9 people employed in New Jersey has a tourism-related job, making it the state's third fastest growing industry sector in 2007 with wages and salaries totaling some 16 billion dollars.
- Tourism generated 7.3 billion dollars in federal, state and local tax revenue last year.
- And perhaps most telling, according to *Global Insights*, every household in New Jersey would pay \$1,400 more in taxes to maintain current tax receipt levels if the tourism industry ceased to exist.

To increase awareness of all that New Jersey has to offer and to draw more vacationers to our state, we have a list of recent enhancements. This includes the launch of a new, more interactive and informative [www.visitnj.org](http://www.visitnj.org) Website, the release of our flagship tourism publication, the *2008 Travel Guide*, the creation of two full-length television commercials and a more focused promotional strategy geared toward attracting younger domestic visitors, business travelers and more international tourists.

We plan to focus our attention on expanding our domestic and international geographic reach and, assisted by the devalued dollar, this will include a greater emphasis on Canadian and UK travelers, in addition to a large, untapped Chinese market.

Meanwhile, our highly successful "*Great Destinations in Any Direction*" campaign will continue to drive our tourism theme as we enter the critical summer season.

Our Destination Marketing Organization (DMO) Grant Program funded 11 individual DMOs covering every region of the state in FY 08, and these grants totaled over 1.5 million dollars. Coupled with the 25 percent each DMO is required to obtain in private funding, it's easy to grasp the tremendous potential this Program has for the coming years.

The new DMO Marketing Program is a component of our larger, more general Cooperative Marketing Program. In all, 40 tourism organizations received support through the latter in FY 08, with a total appropriation of more than 1.8 million dollars.

Last year, members of the Legislature expressed their desire for us to strengthen our relationship with these cooperative entities and we listened.

The spring/summer campaign, encompassing television, Internet, radio, billboards and public relations outreach, has already begun in earnest.

More than 50 different destinations, both shore and non-shore, will be featured in some capacity throughout the duration of the spring/summer promotional effort. The following is a sampling of venues and attractions: the Meadowlands, the Pinelands, Camden Waterfront and Battleship New Jersey, Wheaton Arts Cultural Center, Branch Brook Park Cherry Blossoms, Liberty Science Center, Lambertville, Princeton, New Brunswick, Morristown National Historic Park, the Great Falls and Lamberts Castle, Crystal Springs Spa and Golf at Mountain Creek, Jersey Gardens and Delaware Water Gap. The integration of the arts, history and culture into the travel and tourism lexicon has been invaluable.

In FY 08, the New Jersey State Council on the Arts awarded some 21.5 million dollars in grants to over 700 organizations and projects in every corner of the state. Likewise, the Historical Commission provided over 3.4 million dollars in general operating support grants to 83 historical organizations statewide. In turn, these venues helped stimulate over 2 billion dollars in economic activity, returned 40 million dollars in state tax revenues, supported some 20,000 arts-related businesses, created 90,000 jobs and, collectively, produced 40,000 events that attracted 20 million attendees.

In addition to the Council on the Arts and the Historical Commission, enhancing the financial stabilization of arts and history organizations is the priority of the New Jersey Cultural Trust. To date, the Cultural Trust Board has authorized the release of over 3 million dollars of interest earnings through its grant program. In doing so, it fulfilled its mission of improving organizational infrastructure and assisting in building perpetual endowments. Funding capital projects keeps our venues competitive, viable and tourist-ready! These efforts are enhanced by the great work of the Heritage Tourism Task Force.

There are two studies that should be noted on the impact of our arts, history, cultural and performing arts venues. The first was a survey by Deloitte & Touche that found for every 250,000 audience participants, 50 million dollars is infused into the local economy. And, according to an America for the Arts (AFTA) study, the economic impact of the arts in Newark and New Brunswick *alone* exceeded 213 million dollars in 2006, while accounting for over 16 million dollars in combined tax revenue.

However, these figures don't begin to address the profound educational and societal impact the arts have in enriching the lives of our citizens. Nowhere is this more important than in its impact on our children. Studies have shown that children who are exposed to the arts are more likely to excel academically, especially in math and science, and show dramatically improved SAT and other standardized test scores. They are also far less likely to engage in anti-social behavior, are student leaders, get high marks for teamwork and have excellent analytical skills.

These favorable results, along with other efforts to promote and develop the arts, were instrumental to the development of *Arts Plan NJ* – an ambitious blueprint recently launched to achieve a better, more vibrant and informed New Jersey through the arts.

Quite simply, the arts enhance every aspect of our lives.

Switching gears, I would like to discuss the newest addition to the Department, the Division of Elections. We are pleased that Elections is back after 10 years.

The people of New Jersey not only expect, but deserve a fair and transparent election process. We are well aware of the challenges and outstanding issues facing the Division in this critical election year. And to realize these goals, there is much work to be done. Whether it is the legal requirement to implement the Voter Verified Paper Trail; the need for financial resources to make our polling locations accessible; certification of our voting machines; ensuring that our voting technology is completely reliable and that every vote cast is counted; or ensuring that each and every poll worker has the requisite training, knowledge and experience to successfully administer all of our elections, we are committed to building a model division that not only meets, but exceeds, the expectations of our voters.

We have hired a knowledgeable, experienced and highly respected director to head the Division and are on track to implement some of our first priorities. These include: merging the Division of Elections - the administrative side - with the more technical unit created to implement the requirements of the Help America Vote Act (HAVA), while physically relocating this merged division within the offices of the Department of State. This will not only save rental costs, but will enable us to promote and ensure a level of cohesive staff integration.

And, finally, we are meeting with stakeholders and voter advocacy organizations to gauge support for our current programs and to help us identify our strengths and weaknesses. We welcome continued feedback from the Legislature.

We've also witnessed some great developments here in the Capital City. Two of our own state treasures providing educational and other opportunities for citizens, children and tourists are the State Museum and Patriots Theater at the War Memorial.

I am thrilled to announce that the State Museum is reopening its doors on May 17th! In celebration, I can think of no better way to usher in this new and exciting era than by having the Museum host *Super Science Weekend* as its premier spring event. We are expecting some 10,000 people in Trenton that weekend.

As for the Patriots Theater at the War Memorial, I'm proud to say it hosted over 25,000 students who enjoyed a cultural musical or theatrical performance, many of them for the very first time.

Many of the Department's achievements are defined by job and revenue creation. Yet we also have the unique opportunity to save taxpayers millions of dollars a year through our Division of Archives and Records Management, or DARM. Through the work of its Public Archives and Record Infrastructure Support (PARIS) Grant Program and other efforts, the streamlining of record storage and retention helped save counties and municipalities – and therefore taxpayers – millions of dollars in the 2008 Fiscal Year.

It must also be noted how our diverse portfolio instills a tremendous sense of civic pride in our citizens. We're expanding the success of our volunteerism database, [www.njvolunteerism.org](http://www.njvolunteerism.org), to engage college students in all levels of civic responsibility, and in particular voter registration, voter education and to work as poll workers in the upcoming presidential election.

Also, the work of my Department plays an important role in the promotion of education, as is evident by the work of the Martin Luther King, Jr. Commission's two Youth Leadership Conferences for 1,200 high school students. The MLK Commission also distributes V-Free grants for student projects to promote activities aimed at fostering positive, violence-free environments in their schools and communities. This complements many of the after-school programs our arts and faith-based organizations provide for all of our youth throughout the state. We are also proud of our ability to promote cultural diversity through the work of the New Jersey-Israel Commission, the Amistad Commission and the state Commission on American Indian Affairs.

FY 2009 will present both new challenges and new opportunities. By sharing resources and forming stronger collaborative partnerships with our sister agencies

and the private sector, I am confident that we will successfully meet every challenge while maximizing each new opportunity.

I said at the outset that this very real progress would not have been possible without your ongoing leadership. You have given us the tools we need to best serve the people of this state. With your continued support, I am confident that we will not only meet, but exceed the ambitious goals we have set for ourselves in the coming year.

Thank you, Madam Chairwoman. I would be happy to answer any questions.