Good afternoon Chairman Sarlo, Vice-Chair Stack, and distinguished members of the Senate Budget and Appropriations Committee. Thank you for the opportunity to discuss the Department’s proposed Fiscal Year 2013 budget and the strength of the divisions and agencies under my purview as New Jersey’s 33rd Secretary of State.

Two years ago, we sat down at this table at a time when New Jersey – and the country -- was struggling. We spoke about this Administration’s vision for turning the economy around. I talked about how we would create the Partnership for Action, a one-stop shop for businesses in New Jersey, and about streamlining government in an all out effort to chart a new course for advancing economic growth, investment, and job creation.

Two years later, it is not just talk - we now have a story to tell. We are making headway, and I am not alone in feeling positive about the state’s new direction. First, the Partnership for Action is a reality. The Partnership’s essential parts: Choose New Jersey, the Economic Development Authority and the Business Action Center, or BAC -- the state’s one-stop shop for results-oriented business information, assistance, and advocacy -- are up and running. These three partners under one umbrella have helped rebuild New Jersey’s positive business climate, encouraging nearly 160 companies to generate and retain 45,000 jobs and spur almost $6 billion in public-private investment across New Jersey. We meet once a week to bring all state resources, public and private, to the table with one objective: job creation.

In fact, 2011 witnessed the greatest gain in private sector employment in more than a decade.

We achieved this with roll up our sleeves, gets your hands dirty hard work from both branches of government and from both sides of the aisle. This progress occurs because of bipartisan efforts to offer $2.35 billion in targeted tax cuts over five years to encourage investment and expansion. It occurs because of bold reforms such as moving to a single sales factor corporate tax formula, and offering business income, loss-netting and loss carry-forward relief to promote a fairer tax code. And it occurs by enhancing an already successful Business Retention and Relocation Assistance Grant Program while creating new ones, like Grow New Jersey, to further encourage investment and job growth.

I’ve said it before, yet it bears repeating: the issue of economic development is not red or blue – it is green. Simply put, bipartisan cooperation makes for effective economic development policy. Thanks to the collaborative partnership forged between the Christie Administration and this legislative body, we have redefined what it means to do business in New Jersey.

Second, as to retention, we needed to thank companies for staying in New Jersey.

And, over the course of last year, I met with at least “100 Businesses as part of my 100 Business Initiative” to inform our economic development efforts moving forward. This initiative involved individualized meetings and facility tours with a range of businesses, from life sciences and financial services to technology and manufacturing firms, in every county of our state. Earlier this year, we released our report on the collective input received from the multinational CEO’s and small
business owners we visited. Those insights will be used to strengthen our competitive advantage for business attraction and retention. I invite you to read it.

Next, we needed to let the world know we are willing to fight for our companies. Companies have a choice and they are being wooed by states, and countries, aggressively. No company leaves New Jersey without a fight. Church and Dwight is an ideal example. They were out the door to Pennsylvania. Gone. I reached out personally and asked them to give New Jersey another look. We did not take “no” for an answer.

As a result (and with changes in legislation) Church & Dwight not only decided to stay, but to expand their R&D presence in the state. Ewing is home to their new, 125,000-square-foot global headquarters, and Lakewood will benefit from an expanded manufacturing facility. That’s 130 new high-quality jobs, nearly 1,000 retained jobs, and hundreds of construction jobs. Of course, the high-profile “wins” such as Church & Dwight, Bayer Healthcare, Campbell’s Soup, hhgregg and Realogy garner the lion’s share of the headlines – and for good reason. However, the successes that often fly under the radar provide the foundation for strong and sustainable economic growth. I use them just as examples not as the universe.

I have provided the committee with an exhaustive list of our wins (or saves) so far.

The “New Jersey Comeback” has indeed begun. Business friendly efforts to attract, retain and convince companies that NJ has gotten its fiscal house in order has meant that New Jersey is beginning to have a seat in the Board Rooms of companies all over the world that want to make capital investments in their future.

Third, we needed to address, directly, the myth that New Jersey is not a business friendly state. Through the BAC, we are providing attention-getting business assistance, and growing a reputation as a national leader in business advocacy. Business Facilities magazine recently selected New Jersey’s Partnership for Action for its “Achievement in Reorganization of Economic Development” Award.

In its announcement, Business Facilities pointed to the state’s previous anti-business image and the progress made under this Administration to reverse that perception. Just yesterday, Intuit reported that NJ is number one in the country for small business hiring. Our numbers bear this out. From BAC call center activity to visits to the state’s revamped newjerseybusiness.gov business portal, every aspect of our customer-based and stakeholder-driven approach has welcomed tremendous results.

Visits to the portal are up 16 percent over the comparable period last year, while BAC business call center volume is up 7.6 percent. This includes a 57 percent increase during Hurricane Irene, further demonstrating the critical, time-sensitive nature of its work.

Making it easier for businesses also means removing obstacles to economic growth and investment. That is, Red Tape. I want to take this opportunity to thank Senators Oroho and Stack for their leadership and commitment to regulatory reform. Deputy Speaker Burzicelli and Assemblyman Scott Rumana also were there from the beginning when we launched the Red Tape Review Group. Because of our bipartisan efforts, we’ve made a difference. February saw the release of a comprehensive report detailing the Commission’s progress to remove ineffective, outmoded and often duplicative regulatory hurdles to economic growth. Visit www.nj.gov/state/pdf/2012-0208-red-tape-review-report.pdf.
Further, during the past year, the Department also conducted a pro-active and thorough review of state and local agency-issued business permits to identify those which may be obsolete or overly burdensome.

This March, we issued a report summarizing the results and offering recommendations on potential streamlining of permits processes to save New Jersey businesses time and money. I look forward to working with you and your colleagues to implement those recommendations. You can find the report at website www.state.nj.us/state/pdf/prn-2012-040-dos-15-35.pdf.

And to further support our important non-profit sector, the Department of State launched in 2011 the “Non-profit Information Center” web portal. This one-stop shop will save non-profits valuable time and money by efficiently organizing access to information about funding and volunteer opportunities available across a broad spectrum of government agencies.

Looking forward, we’re strengthening New Jersey’s presence in the global economy. State exports surged 19 percent to over $38 billion in 2011, further solidifying the state’s access to key international markets. This was matched by a strong and concerted effort to increase foreign direct investment in the state. Over the past twelve months, BAC’s international business advocates supported 15 foreign direct investment projects from China, Italy, France, Belgium, Norway, Switzerland and the United Kingdom. These efforts will generate and retain nearly 1,700 jobs.

In addition, BAC staff hosted 11 international trade delegations from around the world. Among them were a series of high-level delegations from China and life science delegations from Portugal and France. I met with one hundred from the Ningbo city in “JayJung” (ph) Province just yesterday. We also looked north, holding an energy sector seminar and business matchmaking event with the Canadian Consulate General.

To manage our aggressive global markets and export expansion strategy, and further raise New Jersey’s expanding global profile; a new Office of International Business Development & Protocol will be operating within the BAC.

Again looking forward, we are guiding New Jersey’s future economic growth and prosperity.

Under the direction of BAC’s Office for Planning Advocacy, a new State Strategic Plan was developed and released by Governor Christie last fall. Throughout the process, an emphasis was placed on reaching out, which is why feedback from local officials and state planning groups has been positive. When fully implemented, the State Plan will offer an ambitious yet practical strategy for capitalizing on existing assets, redeveloping where we already have infrastructure, growing core industry strengths such as the life sciences and manufacturing, and preserving important natural resources.

I look forward to working with members of this Committee as the State Plan goes from paper to practice. A copy can be found on the website www.nj.gov/state/planning/plan.html.

In addition, we’re promoting the state as a great place to live, work and vacation. Last month we welcomed great news for New Jersey’s travel and tourism industry. State tourism revenues rose 7.1 percent to $38 billion in 2011, just shy of the 2007 pre-recessionary peak. The increase was driven by a nearly 15 percent jump in domestic travel volume. 12 million more domestic visitors chose New Jersey last year, bringing the total number to 80 million. Details of our comeback can be found again in a report posted on the website www.visitnj.org.
We’re also seeing encouraging signs that tourism-related employment is recovering. The industry directly supported 312,000 jobs and more than $9.5 billion in wages and salaries in 2011. When combined with indirect and induced jobs, the total climbs to 486,000 – nearly 10 percent of all jobs in New Jersey. With all of this activity, it should come as no surprise that visits to New Jersey’s travel and tourism website – VisitNJ.org – skyrocketed 41 percent last year.

I’m sure you’ve heard about our other tourism successes – hosting our first Super Bowl in 2014, attracting Formula One Racing, the Special Olympics, Wrestlemania, NASCAR and the NJPAC’s recent announcement that Newark will be the home of America’s Got Talent. These are sure signs that New Jersey’s tourism and hospitality industries are on the rise.

We saw a pattern while pursuing these tourism gems. Our efforts to attract big events have too long been separated from the ongoing promotion of our state as a desirable destination. The Administration’s proposed Fiscal 2013 budget recommends consolidating all disparate elements of tourism promotion under a repositioned New Jersey Sports and Exposition Authority (NJSEA) under the Department of State. This is a logical move that will achieve several key goals and build upon our success. I leave the President of the NJSEA who is here to give you the most recent updates. We’re excited about the potential of seeing this strategy to fruition, and I look forward to an active and ongoing dialogue with the Legislature throughout the process.

Last year, I noted that it was no coincidence that the Business Action Center was integrated into the Department of State, as it was already home to two vital engines of economic growth – the arts and history. These are $1.2 billion and $540 million industries, respectively. In terms of educational impact and contributions to New Jersey’s superior quality of life, their contributions are invaluable.

For these reasons, the Christie Administration has maintained the funding level for the arts at $16 million and for history at $2.7 million for the third straight budget cycle. In Fiscal 2012, as in years past, the return on investment for this funding was exceptional. The work of the Council can be found on its website. In short explanation is that Administration will never waver in its commitment to meet this ongoing educational, social and economic imperative.

This is a promising period for the state’s arts, history and cultural communities, and not simply for the reasons mentioned. Earlier this month, I was pleased to announce the addition of Dr. Carol Cronheim as the newest Assistant Secretary of State. A former Acting Secretary of State under the Whitman Administration, the appointment will mark her third tenure of service at the Department. Dr. Cronheim brings over two decades of experience and a wealth of institutional knowledge to the position, and she now assumes the important responsibility of creating even greater investment and job creation opportunities within New Jersey’s cultural community.

The arts and history are indispensible elements to our larger economic development strategy. This is particularly true in the Administration’s efforts to revitalize New Jersey’s downtown areas. With Dr. Cronheim on board, we have no doubt that these ambitious goals will be met.

Finally, I’d be remiss if I failed to mention the critical role of the Department’s Division of Programs. The Office of Volunteerism, the Martin Luther King, Jr. Commemorative Commission, the Office of Faith-Based Initiatives, the Center for Hispanic Policy, Research and Development, and the state’s many cultural heritage commissions bear the important responsibility of promoting civic engagement throughout New Jersey.
They fulfilled that mission superbly in the past year. Nowhere was this clearer than in the Office of Volunteerism’s work during and in the aftermath of Hurricane Irene. The Office was the key point of contact for both volunteer recruitment and deployment during the crisis. It not only coordinated the situational response of some 1,600 volunteers throughout New Jersey, but the response of some 60 additional AmeriCorps national volunteers assisting from other states. Because of these efforts, families and areas hardest hit during the storm were able to get the quickest possible response during their most trying time of need.

I’m proud to say it’s been another productive and successful fiscal year for the Department of State. First and foremost, the work of the BAC continues to play an instrumental role in the ongoing “New Jersey Comeback.” Equally important, the Department’s traditional agencies have been strengthened to further meet key economic development goals, while fulfilling their responsibility to enrich the social fabric of New Jersey and enhance our quality of life.

Thank you again for affording me the time and opportunity to offer this testimony. I will now be happy to address any questions you may have.